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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JANUARY 6, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

DON RICHARDS STEPHENS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

January 6, 1987

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Minutes
of the
Airports Commission Meeting

January 6, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President J. Edward Fleishell, Vice President Athena Tsougarakis Don Richards Stephens
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Absent:	Z.L. Goosby
---------	-------------

* * *

C. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary, announced unanimous adoption of resolution no. 86-0281 authorizing the Director to retain the law firm of Dobbs, Berger, Molinari, Casalnewvo, Vannelli & Nadel for the purpose of representing the City and County of San Francisco in matters regarding SFO Airpporter at the closed session of December 16, 1986.

Commissioner Stephens said that he thought there was a dollar limit to the agreement.

Commissioner Fleishell responded that there was a \$10,000 limit. He said that the money will be applicable only through the motion of reconsideration, a motion for re-trial and the hearing on that motion.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Fleishell asked that the clock in the meeting room be adjusted to reflect the correct time.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The Commission voted down the following item by a 3-1 vote. Commissioner Tsougarakis cast the sole vote for approval.

1. Authorizing Agreement for Parking/Transportation Management Services

Authorizes Director to enter into agreement with RIDES for Bay Area Commuters, Inc. to provide San Francisco International Airport with employee-oriented Parking/Transportation Management services.

Mr. Turpen said that the intent of the item was to encourage carpooling. He said that the Commission had some questions at the last meeting to which staff responded in a memo. He recommended approval.

Commissioner Bernstein thought that there should first be a complete review of the traffic problems. He believed this to be a waste of money and effort. He said that in view of the fact that there are three airports and complete parking, or as much as we will have in the immediate future, it requires a complete study. He suggested contacting traffic experts to accomplish this. He said he intends to vote no on this item.

The following item was unanimously adopted.

2. San Bruno and South San Francisco School and Home Insulation, FY 86-87/88

No. 87-0001

Resolution authorizing the expenditure of funds by the Director to insulate 160 homes and one school in the cities of San Bruno and South San Francisco. Expenditure of funds to be limited to:

1. 20% of the building insulation costs;
2. Subject to the granting of a Noise Easement per building insulated to the City & County of San Francisco.

The cost of the Airport's share of the insulation is:

FY86-87	-	\$195,000
FY87-88	-	<u>344,000</u>

TOTAL: \$539,000

Mr. Turpen said that there are three communities, Millbrae, San Bruno and South San Francisco, which have areas impacted by noise, according to the State statutes. He said that three years ago South San Francisco embarked on a program of insulating homes within noise-impacted areas. The Federal Government pays for 80 percent, with a 20 percent local share in which the Airport will participate. He said that on a previous occasion the Commission stated it would participate only if the appropriate easement was received. He

explained that this item is a continuation of the program.

Commissioner Fleishell asked if this was consistent with the earlier grant the Airport made.

Mr. Turpen that it was.

Commissioner Bernstein felt it was an excellent program and staff should be congratulated for initiating it.

3. Identification System

No. 87-0002

Proposed resolution approving request to install a new employee identification card access control system at San Francisco International Airport.

Mr. Turpen explained that this system will offer a more positive control over Airport I.D.'s. He said the new I.D.'s will be tamper-proof and coded, allowing an employee access only to those areas of the Airport necessary for that employee to be. For example, Pan Am operates on Boarding Area 'D' so if a Pan Am employee inserts an I.D. card in the scanner at Boarding Area 'A' it will be rejected. He said that another positive feature of this new system is that if an employee quits or retires that information is punched into the computer and the I.D. is automatically cancelled. If the I.D. is subsequently inserted into any scanner it will be rejected and confiscated by security personnel at the checkpoint.

Commissioner Tsougarakis asked who was being asked to bid.

Mr. Clayton Scott, Assistant Deputy Director for Operations, responded that it will be an open bidding process. He said that staff has a couple of companies in mind that sell the same kind of product.

Commissioner Tsougarakis asked how Mr. Scott knew this was a reasonable dollar amount.

Mr. Scott responded that the amount is competitive within the industry. He said there are hundreds of different types of cards on the market today, from micro-chips to bar codes to magnetic codes, and they are all competitive within that same price range.

Commissioner Tsougarakis asked how many people will receive an I.D.

Mr. Scott responded approximately 30,000.

Commissioner Tsougarakis said that averages out to about \$10.00 per I.D.

4. Resolution to Accept Gift of Tank Trailer from the Shell Oil Company - Gift to San Francisco International Airport

No. 87-0003

The Shell Oil Company has donated a 5000-gallon tank trailer to San Francisco International Airport to transport firefighting foam reserves.

Mr. Turpen said that the item was self-explanatory and he thanked Shell Oil for their generous offer.

5. \$100,000 Supplemental Appropriation for Legal Services

No. 87-0004

Supplemental appropriation to pay for legal professional services related to the appeal of the Superior Court's decision in the SFO Airporter case.

Mr. Turpen said the funds will be available for outside legal services should they be required. He explained that because of the City's budget process permission must be received to move money from one account to another.

6. Resolution Approving Signage - Associated Limousines of San Francisco

No. 87-0005

Resolution approving the design and authorizing construction of signage for the Associated Limousines of San Francisco terminal booths and counters.

Mr. Turpen said that Associated Limousines is requesting permission to place signs in the South Terminal directing passengers to Associated's two locations.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

7. Retirement Resolution:
Theodore Kauser

No. 87-0006

8. Annual Renewal of Four Professional Services Contracts for the South Terminal Reconstruction Program. Renewal Extends each Contract for 12 Months to December 31, 1987, With No Change in Contract Costs

No. 87-0007

1. Pressure Grout Company - for investigation, analysis and repair of leaks in tunnels.

No. 87-0008

2. PSC Associates - for soil and foundation engineering.

No. 87-0009

3. Daniel, Mann, Johnson and Mendenhall - for Aircraft Apron, Phase II.

No. 87-0010

4. Gerson/Overstreet - for Pedestrian Tunnel C.

9. Hertz Rent Credit - Construction of Traveler's Aid Booth in the South Terminal

No. 87-0011

Resolution approving rent credit to

Hertz in the amount of \$5,035.00 for costs incurred to build a customer service counter for Traveler's Aid.

* * *

G. PUBLIC HEARING:

The Public Hearing was opened at 9:15 AM and closed at 9:30 AM, there being no further comments from members of the audience.

10. Airports Commission Budget for Fiscal Year 1987/88

Hearing concerning the Airports Commission's proposed Fiscal Year 1987/88 budget for \$151,902,558.

Commissioner Bernstein asked Mr. Gene Pastien of Smarte Carte if he wished to address the Commission.

Mr. Pastien asked the Commission to removed the funding for free carts in Customs from the budget. He said his company feels they are currently providing the proper service with a pay cart system. He said that those people unable to pay receive a cart through a voucher system. He told the Commission that his company is trying to improve their signage and they have already received preliminary approval on new signs.

Mr. Pastien told the Commission that the perception that Smarte Carte is overly profitable is not true. He submitted a chart to the Commission which explains how their money is spent (see attached).

Commissioner Stephens asked why Smarte Carte is against free carts. He said it was his understanding that Smarte Carte will be paid in any event and he felt free carts would cause higher useage.

Mr. Pastien responded that it costs more money to provide free carts. He said that their actual profit would go down because of the increased labor needed to provide free carts. He told the Commission that the pay cart system is self-policing whereas free carts requires additional labor to maintain the supply. He said that the cost for providing each cart will go up. Mr. Pastian explained that in a pay cart system only passengers needing a cart will spend \$1.00; in a free cart system passengers will take a cart whether they need one or not. He said that a free cart system will result in greater useage and more labor to return the carts. He added that in a pay cart system the situation can be controlled so that a certain level of service and service labor is appropriate for the \$1.00 rental.

Commissioner Stephens asked Mr. Pastien if he was saying that after a certain point they were marginally unprofitable on a per-unit basis. He asked if Smarte Carte will lose money in the event 150 carts are sold in an area that is set up for only 100 carts.

Mr. Pastien responded that the ratio varies but that is the theory; the profit will drop off.

Commission Fleishell asked how many employees per shift Smarte Carte has to retrieve carts in the International Terminal.

Mr. Pastien responded that he was not certain but believed there were seven per shift.

Commissioner Fleishell asked Mr. Pastien to check and let him know.

Commissioner Stephens asked if the carts must be left in Customs.

Mr. Turpen responded that when a passenger arrives in San Francisco through Customs the cart can be taken anywhere on the Airport, including the garage, but those carts must be returned by Smarte Carte employees. He explained that a passenger cannot return to Customs after exiting so the only way to replenish the cart supply in that area is to have a Smarte Carte employee do the job. In the domestic areas of the Airport carts can be returned to dispensers for the 25¢ refund so the cart supply is always being replenished.

Commissioner Stephens asked if there will have to be more carts in Customs because there will no longer be a fee.

Mr. Pastien responded that more carts will have to be supplied in that area.

Commissioner Stephens said that the more carts that are used the more money Smarte Carte will receive, regardless of whether a passenger or the Airport pays the fee.

Mr. Pastien explained that 100 percent of the carts that are vended in the Customs area must be returned by Smarte Carte personnel, whereas in the domestic areas only 50 percent are returned by their personnel.

Commissioner Fleishell asked what the difference is between a passenger paying \$1.00 or the Airport paying the \$1.00; only Smarte Carte employees can return carts to Customs in either case.

Mr. Pastien responded that the public cannot return carts to the Customs area but they can in the domestic areas.

Commissioner Fleishell said that the glitch in this new system is that a passenger will be able to get a free cart in Customs and return it to a dispenser for 25¢.

Mr. Pastien said that last year Smarte Carte put \$736,000 into the local economy through payments to the Airport and the 25¢ refund. In a free cart system the Airport would not only lose that income but there would be an additional cost in providing the free carts.

Commissioner Bernstein argued that Smarte Carte will still get their money and that if a cart is not returned to a dispenser Smarte Carte will get \$1.00 rather than 75¢. He said he failed to understand the difference between a passenger paying a dollar and the Airport paying a dollar...either way Smarte Carte gets paid.

Mr. Pastien responded that the difference is that the cost in providing free carts to Customs will go up because cart usage would be higher with a free cart system. He also felt that offering free carts would be sending the wrong signal.

Commissioner Tsougarakis said that Smarte Carte will be caught in a step ladder effect...if business goes up enough it will be profitable for them, but at this point it will probably go up just enough to cost them money.

Commissioner Bernstein said that the customer should also be considered.

Commissioner Tsougarakis said only one customer has complained and he

happens to write a column in a newspaper.

Mr. Pastien concluded his remarks by telling the Commission that Smarte Carte has been at the \$1.00 rental since 1975 and they have been able to maintain their price for 11 years because of the efficiencies of their operation. If they start to lose those efficiencies their prices will have to go up or they will make less money. He told the Commission that Smarte Carte currently operates on only a 6 percent net profit, which is not abusive by industry standards.

There were no other requests to speak.

Mr. Turpen said that Paul Van Wert of United Airlines was unable to attend the meeting and he asked that his December 30, 1986 letter on behalf of the San Francisco Airline-Airport Affairs Committee be made part of the record (see attached). He said that Mr. Van Wert also once again stated the airline's objections to this item.

Commissioner Bernstein thought that Mr. Van Wert's letter was very well done.

* * *


H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

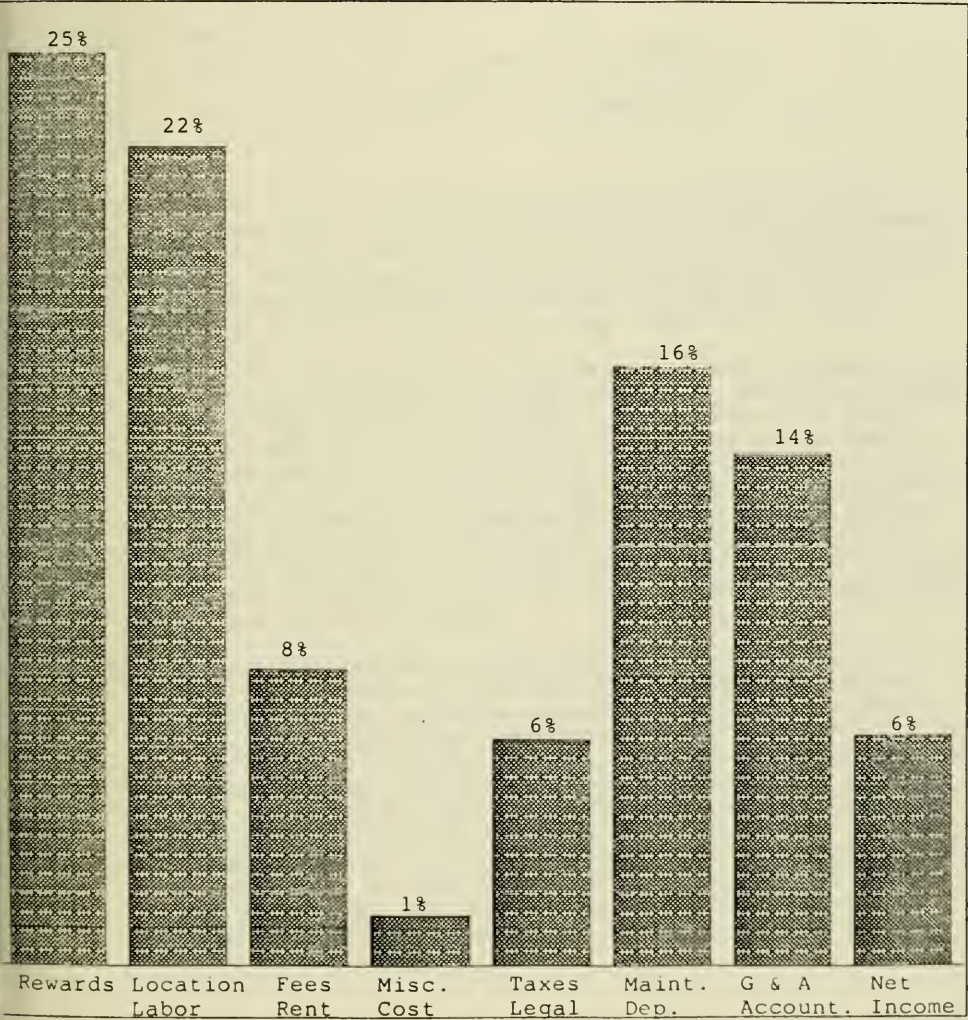
J. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:30 AM to go into closed session.


Jean Caramatti
Commission Secretary

SMARTER CARTE, INC.
DISTRIBUTION OF INCOME FROM \$1.00 CART RENTAL

Revenue	\$ 1.00
Rewards paid out	.25¢
Operation labor commission	.22¢
Fees and rent to SFO	.08¢
Misc. cost	.01¢
Taxes and legal cost	.06¢
Maintenance and depreciation	.16¢
Administrative and accounting	.14¢
Net Profit	.06¢



SAN FRANCISCO AIRLINE AIRPORT AFFAIRS COMMITTEE

December 30, 1986

TO: AIRPORTS COMMISSION
Hon. Morris Bernstein, President
Hon. J. Edward Fleishell, Vice President
Hon. Z. L. Goosby
Hon. Athena Tsougarakis
Hon. Don Richards Stephens

FROM: Chairman,
San Francisco Airline Airport Affairs Committee

RE: FY 1987-88 Airport Budget/Free Luggage Carts

The Scheduled Airlines serving San Francisco International Airport hereby request that, prior to approving the FY 1987-88 Airport Budget, the Commission delete the \$875,000 in funding for free luggage carts. Although the reasons for our opposition to Commission funding of a free luggage cart program have been expressed, over time, on many occasions, we want to elaborate on two key points:

1. The financial consequences of implementing a free cart system are not only immeasurable, but uncontrollable. We now have pending \$1,375,000 in budget and supplemental appropriations for free luggage carts. If a free luggage cart operation were to expand beyond Customs, as it is very likely to do due to circumstances beyond the Commission's control, budget appropriations will grow to multi-millions on an annual basis. London's Heathrow Airport is currently spending between \$4,000,000 and \$5,000,000 yearly to provide free carts. Conversion to rental cart systems is expected to be one of the first items of business for the new private owner/operators of British airports.
2. Funding a free luggage cart operation is totally inconsistent with prudent management of San Francisco International Airport. Some years ago the Commission appropriately authorized receipt of bids for a luggage cart concession at SFIA. A successful bidder was selected and a contract awarded. That concessionaire, currently operating satisfactorily and successfully and, in the process, paying concession fees to the City, is being requested to provide its goods and services, at no charge to the public, with the promise of reimbursement by the City for lost revenues. A highly improbable and indefensible scenario to say the least. How far can such a philosophy lead? How many concessionaires are there at SFIA? How many goods and services can the Commission agree to give away at City and airline expense?

December 30, 1986

Page 2

If funding for a free luggage program is ever finally authorized by the City, and such a program is implemented, it is the Scheduled Airlines' full intention to take whatever actions are necessary to ensure that all funds required to support such an operation come directly, or indirectly, from the City's General Fund. We urge prudent action now by your Commission.

A handwritten signature in black ink, reading "Paul L. Van Wert, Jr.", written in a cursive style.

Paul L. Van Wert, Jr.
Chairman, SFAAAC

PVW:jg

cc: Louis A. Turpen - SFIA
Angela Gittens - SFIA
SFAAAC

SAN FRANCISCO AIRPORTS COMMISSION



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FEBRUARY 3, 1987

DIANNE FEINSTEIN, MAYOR

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MORRIS BERNSTEIN

President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

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LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

February 3, 1987

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Minutes
of the
Airports Commission Meeting

February 3, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

Morris Bernstein, President
J. Edward Fleishell, Vice President
Z. L. Goosby
Athena Tsougarakis
Don Richards Stephens

* * *

C. ADOPTION OF MINUTES:

The minutes of the following meetings were adopted by order of the Commission President:

No. 87-0023
No. 87-0024
No. 87-0025

Regular meetings of November 18, 1986;
December 2, 1986; and,
December 16, 1986

* * *

D. DIRECTOR'S REPORTS:

1. Report Transmitting and Summarizing the Final Report of the Study of the San Francisco Garter Snake Study Conducted on the Airport's West of Bayshore Property

Mr. Lou Turpen, Airport Director, told the Commission that this is the Department of Fish and Game's final report on the West of Bayshore property which specifically addresses the habitat of the San Francisco Garter Snake. He emphasized that this is not an Airport staff recommendation.

Mr. Turpen reminded the Commission that the report is the result of a study initiated as a mitigation measure to allow the Airport interchange to go forward. He said that in 1981 the Department of Fish and Game indicated that without appropriate environmental mitigation they would not sign off on the Airport interchange and allow it to proceed. As part of that agreement the Commission agreed to allow a three-year study on the West of Bayshore property which would parallel construction of the interchange.

Mr. Turpen said that pages 19-21 of the attached report contains guidelines which outline the Department of Fish and Game's recommendations. He said these are subject to our review and are not necessarily set in concrete. They will have to be looked at, as well as any forecast uses for the West of Bayshore property, to determine what the final mitigation plan will be.

Commissioner Goosby assumed that staff has not yet filed a final recommendation.

Mr. Turpen responded that that was correct. If staff's plan and recommendations for the West of Bayshore property are inconsistent with that of the Department of Fish and Game an attempt will be made to try to work out a mitigation plan and a use plan which could co-exist. If they fail to come together there is an appeal process through the Department of the Interior.

Commissioner Goosby said that it would not hurt to have a consultant in mind to assess the conclusions of the Fish and Game Commission and adjust it to what the Airport wants to do. He said he was glad to hear that staff is thinking about the appeal process as it is important to utilize that land as efficiently as possible.

Mr. Turpen said that the study indicates areas that can be developed. Approximately 60 or 70 of the 95 acres on the parcel north of the interchange might be usable. At present staff is optimistic about talking to the Fish and Game Commission and the appropriate agencies to sort this out.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Bersntein introduced a request from the Art Commission for \$10,000 to clean art work at the Airport. He asked Regina Almaquer of the Art Commission to explain the situation.

Ms. Almaguer said that the Art Commission has embarked on a program of maintenance and conservation for all City-owned art work. She said that the Art Commission has entered into agreement with various City agencies, including the CAO, Recreation and Park, DPW and others to request allocations for maintenance of art work as the Art Commission does not have the necessary funds in its budget. She said that the Airport has one of the largest and most valuable collections of art work in the City.

Ms. Almaguer said that the Art Commission is requesting an allocation of up to \$10,000 for the first year to hire a special conservator to assess all of the art work and provide condition reports. The second phase would be to have the art work treated, if necessary. She said that a lot of the work can be done by staff and she has done some of the work herself, but she is not a professional conservator and cannot treat the paintings nor can she make treatment recommendations. The Art Commission would provide copies of all treatment recommendation forms provided by the conservator and the Airport will be updated on the status of each of the works. She said she has been receiving appraisals on the art works and some of them have increased four to five times their original purchase price.

Ms. Almaguer said that she knew that \$10,000 seemed like a large amount but she was not certain all of that money would be needed. She said that in the event money is remaining in the fund it can be placed in the second year funding.

Commissioner Fleishell said that this should have gone to staff first and then brought to the Commission with a recommendation. He did not think

the Commission should be voting on this item at this time.

Mr. Turpen said that by the Commission's own rule a member can introduce an item at a meeting but unless it is an emergency it cannot be voted on until the following meeting.

Commissioner Goosby hoped that staff would also provide information on whether or not the CAO, the Department of Public Works and other departments have actually approved such expenditures and, if so, for how much. He felt it was a worthwhile expenditure but wanted to make sure that the Airport is in line with what other departments will be paying, taking into consideration the size of other collections.

Mr. Turpen said that this is an important issue as the Art Commission has not addressed the permanent collection in terms of maintenance, as it should. He said that staff's views will be presented to the Commission at the next meeting.

Commissioner Tsougarakis asked if this can be added to the budget, if necessary.

Mr. Turpen responded that it probably could be added if the Commission acts at the next meeting.

Commissioner Bernstein asked if there was an urgency.

Ms. Almaguer responded that two weeks would not make any difference. She said she has been inspecting the piece and although she thinks the film is just on the plexiglass she is not certain.

Ms. Almaguer said she would provide the Commission with information on what other departments have contributed.

Commissioner Tsougarakis suggested the Commission formally enter into the record a commendation for the Director for receiving the Department Head of the Year Award yesterday.

Commissioner Goosby said it should be suitably framed.

The Commission was in unanimous agreement.

No. 87-0026

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were unanimously adopted.

2. Airports Commission Budget for Fiscal Year 1987/88

No. 87-0012

Resolution approving the Airports
Commission proposed Fiscal Year
1987/88 Budget of \$151,902,558.

Mr. Turpen told the Commission that the airlines once again asked him to reiterate their single objection to the budget. He also called the Commission's attention to a list of budget changes which are included both in his memo and the resolution. He explained that

these will be the final budget changes however the budget can be amended to include funds for the art maintenance program should the Commission elect to approve the request.

Commissioner Tsougarakis asked what the latest was on the "cut it by 5 percent" request by the Mayor.

Mr. Turpen responded that he did not know if that was still a major issue. He said the Airport has managed to work out the problem and get over that hurdle for the time being.

Commissioner Tsougarakis said that from the Mayor's comments yesterday it sounded as if she agreed with Mr. Turpen's letter.

3. \$22,288,398 Supplemental Appropriation to Fund Approved Capital Projects on the Airport's Approved Five-Year Capital Projects

No. 87-0013

Mr. Turpen said that on October 7, 1986 the Commission approved a Five-Year Capital projects plan for 1986-87 and 1987-88. Those projects will require funding, which will come from the Airport's unappropriated surplus, amounting to a little over \$22-million. This is simply an administrative funds transfer to reallocate the funds from the unappropriated surplus to the capital plan approved by the Commission.

4. Design Review Approval - Long Term Luggage Storage Concession

No. 87-0014

Resolution approving the schematic design of the new long-term luggage storage concession in the South Terminal Complex.

Mr. Turpen said that staff bid a long-term luggage storage area in the South Connector, as approved by the Commission. Due to the winning bidder's inability to obtain insurance, the Airport was left without an alternative. Staff then approached AMLOCK regarding this concession and they indicated they were interested. The Commission subsequently approved the concept. The item before the Commission is the design review approval for that concession.

The Commission unanimously approved Commissioner Stephens's request to be excused from voting on item #5. The item was unanimously approved.

5. Exercise Option of Airport Parking Management Contract

No. 87-0015

Resolution exercising second one year option for Airport Parking Management Contract.

Commissioner Stephens asked why this option was being exercised.

Mr. Turpen responded that when the Commission awarded the contract it was awarded with five one-year options.

Commissioner Stephens asked if it was the Commission's option to extend and what happens if the Commission chooses not to exercise the option.

Mr. Turpen responded that if the Commission does not approve the extension it will have to be re-bid.

Commissioner Stephens asked why staff doesn't find out if another contractor could give us a better price.

Mr. Turpen responded that that would be hard to do as we are currently being charged .05 percent of \$26-million to manage it, and that was the lowest of six bids.

Commissioner Bernstein asked if this was part of the discussion regarding the study of traffic, roadways and parking and, if so, why would we want to extend this contract.

Mr. Turpen responded that the extension was only for one year and any study undertaken probably would not be concluded until the end of the year. He said that the Commission would not be under any obligation to pursue this at the end of the year but if the option was not granted the Commission would be forced into re-bidding it now. He told the Commission that re-bidding it now, without having completed the study, would not be effective as it would be re-bid under the current terms and conditions. He said that it will take time to develop a new approach for ground transportation and suggested that the prudent course of action would be to let it go for now and then cancel it at the end of the year when the Commission has the study in hand and evidence that it should be changed and a direction to pursue. He thought it would take at least seven months to come up with a new ground transportation plan and hold public hearings.

Commissioner Bernstein said that this would be as good a time as any to start putting it into effect instead of wasting time with new contracts and new bids. He said everyone agreed that it is a disgrace.

Commissioner Stephens said he did not agree.

Mr. Turpen said he would not characterize traffic at the Airport as a disgrace. If that were the case there are an awful lot of airports coming to SFO to copy disgraceful traffic. He said that the industry has changed dramatically with the introduction of vans and this obligates us to take a look at how we run that business.

Commissioner Goosby said he would like Mr. Garibaldi to advise the Commission of the legal implications of a five-year bid with one-year extensions and the Commission's position in not extending the option.

Mr. Garibaldi, Airport General Counsel, responded that the Commission should have some reason in not approving the option. The Commission should act in good faith in dealing with the person to whom the contract was awarded. This was not a five year with one year options, it is five, one-year options with the current year expiring July 1, 1987. Staff wanted to bring this before the Commission now as Board approval is necessary and that takes time.

Commissioner Stephens said that the purpose in bidding it with five, one-year options was to give the Commission the opportunity to look at the cost and values on a one-year basis. The Commission should not be restricted from looking for better prices.

Mr. Turpen said that the Airport has an obligation to determine, on an annual basis, whether or not these services can be performed more cheaply by contractor than by in-house personnel. Staff provides that information to the Controller who then makes the certification that these services can be provided more economically by contract as opposed to in-house.

Commissioner Stephens said that he did not think there was any question that it could be provided more cheaply by contract than in-house but there are a variety of contractors involved in the parking business.

Mr. Turpen told Commissioner Stephens that he was correct and a year ago this bid was clearly the lowest of six bids.

Commissioner Bernstein asked when staff could start.

Mr. Turpen responded that staff could immediately start looking at ground transportation. One of the first things staff will have to do is determine the policies the Commission might want to pursue and what parameters, if any, they want to establish.

Commissioner Tsougarakis asked if there was a provision to study ground transportation in the long range planning. She wanted to know if two different studies were needed and how long it would take to implement if a study was done now.

Mr. Turpen responded that there are two issues the Commission must recognize: First, the Airport has a master planning consultant, approved by the Commission, who must deal with the physical size of facilities, i.e. the size of parking lots and the parking needs based on demand over time. The other is the operational aspect of ground transportation, i.e. where the buses go and where they park. He explained that the physical plan is being addressed by the consultant and the operational plan can initially be addressed by staff in setting the parameters. He said those parameters must be established up front, whether a consultant is hired or it is handled in-house.

Commissioner Bernstein argued that it can't be handled in-house because staff brought the Airport to this point.

Mr. Turpen argued that that was not true; there were a lot of factors that brought us to this point. There have been a lot of changes in the industry to which staff has tried to react but there have been constraints.

Commissioner Bernstein said he did not want staff to handle this.

Commissioner Tsougarakis said that before any money is spent she would like a definition of the problem. She realizes there has been a change in the ground transportation business but she did not understand the problem with which the Commission was asking staff to deal. She felt that the Commission should be more articulate.

Commissioner Bernstein asked Commissioner Tsougarakis if she was satisfied with the status quo.

Commissioner Tsougarakis asked Commissioner Bernstein to articulate the problem other than to declare the situation a mess. She asked why the parking garage is a problem and why we are dealing with it on this particular item.

Commissioner Bernstein responded that it costs the Airport \$700,000 to collect \$800,000 from taxis.

Commissioner Tsougarakis did not see the connection with the parking garage.

Commissioner Bernstein responded that he was talking about all vehicles. He asked Commissioner Tsougarakis if she was satisfied with the traffic and the lawsuits at the Airport.

Commissioner Tsougarakis did not understand what the study would accomplish. If it defined the problem she would be satisfied.

Commissioner Bernstein again said he did not want the information to come from staff.

Commissioner Fleishell said that a study would not provide results for six or seven months and it would take another four or five months to get anything implemented, bringing us to the end of the year. He recommended bringing this item back in six months in the event the Commission decides to go out to bid.

Commissioner Fleishell said he was also concerned about Mr. Garibaldi's comment that the Commission must have a reason in not exercising its option.

Mr. Garibaldi responded that the Commission must act with good faith and fair dealing toward its contractors.

Commissioner Fleishell asked if the Commission could arbitrarily decide that it wanted to make a change.

Mr. Garibaldi thought not.

Commissioner Fleishell argued that when a contract is extended at the discretion of the Commission no reason should be needed.

Commissioner Benstein quoted a passage from Mayor Feinstein's letter which read: "It is clear that the Airport has a parking and traffic congestion problem that is likely to increase."

Commissioner Tsougarakis said she was not suggesting that there wasn't a problem she simply wanted a definition of the problem.

Mr. Turpen said that Mr. Foerster just handed him the January 30 letter from the Mayor. He asked the Commission if it wished to recalendar the RIDES item for the next meeting.

The Commission agreed.

Mr. Turpen said that Commissioner Fleishell's point was well taken but added that staff can return within the next few weeks with some basic guidelines or criteria for the Commission's reactions. He said that currently San Mateo cabs are not allowed to come to the Airport and if that philosophy is changed it could solve the short-haul problem. He explained that there are a lot of refusals to convey to San Mateo due to the short distance. He said that the Airport could provide a disincentive by reserving the entire inside lane on the lower level for ground transportation, as it is at O'Hare, forcing vehicles picking up at the Airport to the outside lane. He said there are a number of things staff has thought about but they are policy decisions not operational decisions. He said that anything could be done operationally but it is the philosophical intent of the Commission that remains the question. Within the next 30 days he would like to present broadbrush policies to the Commission.

Commissioner Stephens said he would like to see the options along with the pros and cons, what the present operators are going to say, their reasoning and what the pluses are. He said someone must have lobbied long and hard to keep the San Mateo cabs off the Airport so they must have a vested interest in something.

Commissioner Goosby said that the Commission discussed this two or three months ago and that would have been the time to bring it up.

He thought a reasonable solution was arrived at based upon staff's recommendation. He said there will be traffic problems and congestion at the Airport 50 years from now simply because SFO is a busy Airport. The operators will always complain that the Airport is not being properly operated because they do not have access to the inside lane or designated curbspace for their vans. He said that if the Commission can agree on a transportation consultant to look at the operation and make suggestions, some of the Commission's concerns might be addressed. He urged the members not to assume a wrong decision was made every time an operator complains of problems.

Commissioner Bernstein argued that this was not just a matter of money but of service. He added that he did not want staff to handle this.

Mr. Turpen did not feel Commissioner Bernstein's statement was fair. He did not think that staff brought the Airport to this point. He said that the Airport has arrived at this point through a collective effort, by whatever circumstances or impetus. Everything that has happened has been carefully reviewed by the Commission at public hearings and voted on. The question now is how does the Airport withdraw from this point, if, in fact, there is a problem. He said that the Commission can hire a consultant who will talk to him and staff and then present the same plan staff would have presented and the Commission will say it is wonderful. He felt that staff should present those assumptions along with a list of policy concepts the Commission must address and staff can be directed at that point. He said that the Commission will have to address those assumptions whether they are presented by staff or a consultant.

Commissioner Bernstein instructed Mr. Turpen to get it done.

Mr. Turpen said that this must go through a lengthy approval process of the Controller, Finance Committee and the Board, which takes about four months.

The following items were unanimously adopted.

6. Award of Professional Services Contract to Del Campo & Maru, Architects, to Provide Architectural and Engineering Services for Contract 1416-C - Delta Airline Facilities - \$320,000

No. 87-0016

This contract provides for the interior development of Delta Airlines' gaterrooms, ticketing areas, baggage systems, loading bridges, and VIP spaces in Boarding Area 'C' and South Terminal.

Mr. Turpen said that Human Rights Commission approval has been received.

7. Award of Contract No.1752: Maintenance Building Roofing Republic Airlines Hangar

No. 87-0017

Resolution awarding Contract No. 1752 to Royal Roofing Co., Inc. in the amount of \$89,980.00

8. Supplement to Airports Tenant Improvement Guide

No. 87-0018

Resolution approving Supplement No. 3 to the Airport's Tenant Improvement Guide.

Mr. Turpen explained that this brings the Airport's Tenant Improvement Guide into compliance with the Public Works code.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

9. Extension of Professional Service Contract for Construction Material Testing Services

No. 87-0019

Resolution extending the professional service contract with Signet Testing Laboratories, Inc. to December 31, 1987, with no change in contract costs.

10. Authorization of Rent Credit to Mercury International for \$1,725.92

No. 87-0020

Resolution authorizing a rental credit to Mercury International Sales and Service for \$1,725.92.

11. Contract Modification - Tracor, Inc. - \$44,990.19

No. 87-0021

Modify Tracor, Inc. Contract #82035 (Phase IV of the Noise Monitoring System Expansion) approved by Airports Commission Resolution 85-0338, November 19, 1985 to further enhance aircraft identification and provide for sales tax.

12. Request for Approval of Travel/Training for Airports Commission Representative

No. 87-0022

* * *

H. SPECIAL ITEM:

13. Request by SFO Airporter to Address Commission

Commissioner Bernstein asked Mr. Steve Leonoudakis of SFO Airporter to address the Commission.

Mr. Leonoudakis asked the Commission for equity in the rates being charged.

Commissioner Bernstein interrupted Mr. Leonoudakis and told him that he would not allow comments on the fees and rates as the Airport is currently involved in legal action with SFO Airporter. He said he would not allow Mr. Leonoudakis to use the Commission as a forum to present facts and figures to which the Commission cannot respond and which could be used against the Airport. He said they must be presented in a court of law.

Mr. Leonoudakis responded that he did not intend to discuss anything regarding litigation. He said that SFO Airporter was currently operating under a 30 day permit and he wanted to discuss the parity of the fee being charged under that permit.

Commissioner Bernstein again interrupted Mr. Leonoudakis and told him that the Commission would not listen to any numbers. He said that the last time he met with Mr. Leonoudakis he had indicated he would return to discuss a settlement, but he did not. He said that Mr. Leonoudakis was supposed to help him.

Mr. Leonoudakis said he was before the Commission to do just that, with reference to the permit. He said that the Commission does not have the power to deny him to speak.

Commissioner Bernstein said he was not denying him the right to speak.

Mr. Garibaldi said it was his understanding, from Mr. Leonoudakis's representation, that he wanted to discuss a request for a reduction of his fee under the permit. He felt that was an appropriate topic to discuss with the Commission as long as matters involving pending litigation and Airporter's pending claim are not discussed.

Commissioner Bernstein asked Mr. Garibaldi to interrupt the discussion should inappropriate comments be made.

Mr. Leonoudakis explained that in better times his company carried as many 1,200,000 passengers a year from the Airport to San Francisco. By comparison, in 1986 only 590,000 passengers were carried; a drop of 610,000 passengers. He said that in January 1987 his buses carried only 37,000 passengers compared with January 1986 when they carried 47,000; a drop of 21 percent. Mr. Leonoudakis said that in the old days they carried 100,000 passengers a month and now they are carrying only 40,000 a month. He said that those passengers are moving toward the van and minibus.

Mr. Leonoudakis told the Commission that Airporter must provide service every 15-minutes during the peak period. Vans and minibuses operate equipment that costs about \$10,000 per vehicle; under Airporter's permit they are required to provide deluxe 46-passenger buses costing \$180,000 apiece. Airporter pays the prevailing wage and a standard of benefits to their employees...\$17.50 an hour compared to the \$3.40 an hour minimum wage paid to a van driver. His employees work 8-hour days and are provided a pension plan, medical and dental plans, a prescription plan, vacation and sick leave.

Mr. Leonoudakis said that van operators pay the Airport 35 cents for each loop on the Airport, or, 16 cents a passenger. He said that their permit requires them to provide first class service with at least 12 modern, deluxe buses, (they provide 30 buses); uniform personnel are on duty 24-hours a day, 365 days a year, and close headways must be maintained. He said that the average passenger load is down 10 passengers per vehicle and it is not uncommon for a bus to leave the Airport with only one or two passengers, and sometimes without any passengers at all but it is Airporter's responsibility to maintain those headways. Mr. Leonoudakis said that his company must

also provide a downtown terminal, staffed 24-hours a day. He said that his employees do not work 10 hour days, at \$3.40 an hour, and no overtime. He said he is proud of the fact that his company is probably the last union-affiliated bus operation in the City.

Mr. Leonoudakis told the Commission that their annual cost of operation is \$6-million. If they are to have a fair opportunity for return on their investment and operating costs they need some parity with the fee being charged the van and mini bus operators. He said Airporter is currently being charged 3-1/2 cents for every deplaning passenger. He said that he told the Commission in the very beginning that the criteria was wrong and unfair and that it has been eliminated from the new call for bids for that very reason. He felt that a more equitable way of handling it would be to charge Airporter a fee that is in some way comparable to what other ground transportation operators are charged. He said his company is willing to pay more than the other operators because his company is downstairs, but Airporter is currently paying almost \$1.00 for each passenger, almost six times more than other operators. He suggested that their permit be amended so they would pay twice what the other operators pay for each passenger they pick up.

Mr. Leonoudakis said that the first criteria for the Airport is public service and that is what Airporter offers. He believes his company has done an outstanding job and wants to continue to do so but they should have an opportunity to make a small profit. He wants to be treated as the other ground transportation operators are treated and requested that the Commission adopt an appropriate resolution reducing the fee charged Airporter as of the date of their contract, June 22, 1986, to 32 cents per passenger as opposed to 3-1/2 cents for every deplaning passenger. He asked why they should be charged for passengers who take taxicabs, limousines, family cars, vans or mini buses.

Commissioner Bernstein asked Mr. Garibaldi if Mr. Leonoudakis's statements citing "unfairness" went beyond what he was supposed to be discussing.

Mr. Garibaldi responded that Mr. Leonoudakis was entitled to make a presentation to the Commission to try and convince the members to reduce his fee.

Commissioner Bernstein said he did not want Mr. Leonoudakis's comments to become a matter of record and accepted as fact.

Mr. Garibaldi said that staff has not yet responded. He was sure there would be no agreement to the claim that the contract is unfair. He said that Mr. Leonoudakis agreed, knowing all the conditions that were existent at the time.

Mr. Leonoudakis commented that when their contract was cancelled they had no option; they were presented with the contract and told to sign it or leave.

Commissioner Bernstein argued that they were not forced to sign.

Mr. Leonoudakis responded that his company has a large investment in equipment and a commitment to personnel. He said that when he received an ultimatum to either accept it or leave, with no opportunity for discussion, he felt he had no alternative but to sign. He said he wants to stay in business.

Commissioner Goosby said that the Commission will take this under advisement and the staff will respond and give him the courtesy of a reply.

* * *

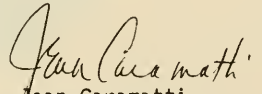
I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 10:10 AM to go into closed session.


Jean Caramatti
Commission Secretary

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MINUTES

MARCH 3, 1987

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COMMISSIONERS

MORRIS BERNSTEIN
President

J. EDWARD FLEISHELL
Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS
DON RICHARDS STEPHENS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

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of the Minutes
Airports Commission

March 3, 1987

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Minutes
of the
Airports Commission Meeting
March 3, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President J. Edward Fleishell, Vice President Athena Tsougarakis
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Absent:	Z. L. Goosby Don Richards Stephens
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C. ADOPTION OF MINUTES:

The minutes of the following regular meetings were adopted by order of the Commission President.

No. 87-0028	January 6, 1987
No. 87-0029	February 3, 1987

* * *

-- D. DIRECTOR'S REPORTS

1. Status Report on Smarte Cartes in Customs

Mr. Lou Turpen, Airport Director, told the Commission that the free cart system in Customs was initiated yesterday. He said that although it is too early to provide statistics he wanted to advise the Commission that the free cart system has gone into operation.

* * *

J. CLOSED SESSION:

The meeting recessed at 9:03 AM to go into closed session and reconvened at 9:25 AM.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. PENDING LEGISLATION:

2. Review and Consideration of AB 273, AB 276 and SB 189

Mr. Turpen said that according to existing procedures staff has attempted to highlight those pieces of legislation affecting the Airport and asked the Commission's guidance in communicating with the Sacramento lobbyist. He said that his February 20 memo is self-explanatory and recommended taking a position on SB 189 concerning firearms.

Commissioner Tsougarakis agreed with Mr. Turpen's recommendation. She asked what the current law was relating to AB 273.

Mr. Turpen responded that there is none.

Mr. Don Garibaldi, Airports General Counsel, responded that there is no moratorium on this type of litigation.

Commissioner Fleishell said that guns are manufactured in two European countries and legally imported into the United States so passing a law prohibiting their manufacture is meaningless.

Mr. Turpen responded that he understood but if the Commission did not object, Sacramento will be advised.

Commissioner Fleishell said that the Commission should have a copy of a letter from Mr. Gatzke, the attorney from Orange County, on the fourth version of the noise bill which purports to take into account the attitudes of government. He said that Mr. Gatzke thinks it should be opposed in its present form and Commissioner Fleishell said he was inclined to agree with him. He suggested notifying Sacramento to do whatever is right.

Commissioner Fleishell asked if the Airport ever received the bills from Mr. Gerber.

Mr. Turpen responded that they were eventually received but he does not remember what the lag time was.

Commissioner Fleishell said that Mr. Turpen sent the Commission copies of a letter on legislation addressed to Congress with a bill that had neither been before the Commission nor the City's Legislative Policy Committee.

Mr. Turpen responded that this was an extension of the effort staff has undertaken to try to get some protection under the new AIP legislation.

Commissioner Fleishell said that it may be an extension of an effort but it is also a statement of a policy position of the City. He said that staff should follow procedures and discuss these issues with the Commission. The Commission will then send them to the Legislative Policy Committee and that body will send them to Washington.

Mr. Turpen said that a list has been maintained of those people staff

has communicated with over the last 18 months regarding the Q707 matter. He said that it has been suggested to them that a legislative solution might be necessary in order to protect local airports. The new AIP legislation is now being considered by Congress and is a natural extension of a series of letters sent to those people. He said that this is simply just another effort to advise them of the current thinking.

Commissioner Fleishell said that it is a policy statement of which the City is unaware. He said that Mr. Garibaldi should advise Mr. Turpen that the rules require that bills come before the Commission and then sent to the City's Legislative Policy Committee to determine if that is the position that should be taken. Commissioner Fleishell added that he happened to agree with it.

Mr. Turpen apologized but told the Commission that he thought he was executing the Commission's wishes.

Commissioner Fleishell said he probably was.

Mr. Turpen said that he will follow that procedure in the future.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were unanimously adopted.

Items #3 and 4 were called together.

3. Rejection of All Bids - Boarding Area 'E' Principal Concession Lease

No. 87-0030

Rejection of all bids - Boarding Area 'E' Principal Concession Lease.
Approval of revised specifications, authorization for new bid - Boarding Area 'E' Retail Concession Lease.

Commissioner Bernstein asked Mr. Robert Brisbee to address the Commission.

Mr. Robert Brisbee, Secretary/Treasurer of Local 775, United Food and Commercial Workers, said his Local represents 3000 workers in San Mateo County, 25 of whom are employed by ABC Cigar. He said that ABC Cigar has been a very fair employer and they have lived up to every word of their agreement. They employ a very stable workforce consisting primarily of women, the majority of whom are minority and over the age of 50. He said that many of their employees have been with them since the inception of the labor agreement, over 15 years ago. He said that it would be a shame to see those employees out in the street because of a bid situation at the Airport and urged the Commission to accept ABC Cigar's bid.

Commissioner Bernstein asked Ms. McDowell if she wished to address the Commission.

Ms. Deanna McDowell, the attorney representing ABC Cigar and the daughter of Dorothy Lahey, the principal owner of the company, said they were informed on Friday that HRC rejected Host and Duty Free's joint ventures. She urged the Commission to award the lease to ABC Cigar in accordance with applicable law. She said that a decision to award the lease to her company will financially benefit the City and

would be in accordance with the pre-bid resolution to award this lease to a WBE and/or minority as ABC Cigar is almost entirely owned and operated by women and minorities. She said that the concession could be open in August 1987.

Ms. McDowell concluded by urging that if the Commission decides to reject all bids that their reasons be stated, and, that the WBE/MBE preferences be retained in a new bid.

Commissioner Bernstein called on Paulette Lee.

Ms. Paulette Lee, counsel for Host International, said that Host International is the general partner of Host North Terminal Merchandise, Ltd. She said that as 65 percent owner and general partner, Host designated Croissant Tree as its minority venture, the limited partner in the partnership and 35 percent owner. She said that Host North Terminal submitted the highest bid but they were advised last Friday that HRC denied them certification as a qualified joint venture. She said that although they have not had the opportunity to review HRC's opinion in great detail the reason for their denial apparently focuses on the fact that Host North Terminal is a limited partnership as opposed to a general partnership.

Ms. Lee said that their concern and dismay over the situation rests on the fact that the bid documents did not clearly provide that in order to be eligible for award of the contract as a joint venture certification had to be received by HRC. She said there was nothing in the bid documents that required the joint venture to seek certification by HRC in order to be eligible for the award, but rather that the certification was desired only if the bidder wished to avail itself of the 5 percent bid preference. Ms. Lee said there was nothing in the documents which provided that if the joint venture was refused certification by HRC that it would be completely ineligible for contract award. The only consequence apparent from the bid documents was that the 5 percent preference would be denied. She said that their understanding throughout this process was that HRC would rule on the preference not on their eligibility. She said that if the bid documents required that a joint venture bidder be certified by HRC in order to receive both the bid preference and eligibility for award of the contract and that the same HRC regulations applied to both the certification and the eligibility process Host would have considered structuring its bid differently. She told the Commission that Host would have sought pre-certification advice from the HRC and they probably would have structured their bid differently if that advice proved to be inconclusive.

Ms. Lee said that as presently structured the HRC regulations pertaining to joint ventures appear to preclude limited partnerships but felt that this was contrary to business realities. She said that where there is a 65 percent majority owner and a 35 percent minority owner the majority owner necessarily needs to protect itself from acts of the minority owner in excess of their authority. However, in order to satisfy the HRC, the minority owner needs to have equal rights to bind the entire joint venture. She said this means that the minority partner could commit the joint venture to spending millions of dollars, most of which would be borne by the majority owner. She said that few, if any, majority owners, as prudent business people, would allow such a situation to occur, yet that is exactly what HRC is asking.

Ms. Lee said that Host's joint venture agreement insulated the MBE from unlimited liability in that if anything adverse were to happen to the joint venture business the MBE could simply walk away from his investment in that joint venture. She said that apparently HRC seems

to prefer that the minority owner share in an unlimited liability for the joint venture business which is adverse to the interests of the minority owner.

For these reasons Ms. Lee urged that Host North Terminal be awarded the contract, having fulfilled all of the MBE participation requirements as set forth in the Airport documents and having met all HRC standards to the extent reasonably possible under actual business conditions. She said that if such a resolution is not passed Host International urges that the decision be tabled pending their study of HRC's decision and all appeal rights that they may want to take.

Commissioner Bernstein asked Mr. Ira Shecter to address the Commission.

Mr. Shecter, Vice President of Merchandising Operations for Host International, said that Host and its partners submitted the highest bid and should be awarded the contract. He said that Host feels the staff was well intentioned and that the bid was structured to clearly encourage joint ventures to the extent that a 5 percent bid preference for joint venture was offered. He said that in terms of the text of the documents not only Host International and its partner but the second highest bidder, Duty Free Shoppers and its partner, also structured its bid as a joint venture. He said that because of their zeal to respond to the bid documents as a joint venture their bid is being rejected. Mr. Shecter said that his company went as far as it could legally go and he believes, from reading Duty Free Shoppers submission, that they went as far as they could legally go in responding to what the bid document requirements. He felt that because Host is the highest bidder they should be awarded the contract.

Mr. Shecter also told the Commission that by rejecting all bids and not awarding to Host he believes that the Commission is depriving their minority partner from an opportunity to participate in this concession. He said that everyone involved in this process bid from the same set of ground rules and that it has become apparent that the ground rules are changing on them as their bids are being evaluated.

Mr. Shecter concluded by saying that all of the bids were fairly close but Host came out first by going as far as they could go in putting forth the largest number they could. He said that Duty Free Shoppers and ABC Cigar did the same. Each bidder tried to come up with an economically sound and viable package. He argued that none of the economic circumstances upon which this bid was based have changed. All of the information relative to the airline mergers of American and Air Cal and of Delta moving off that particular concourse were known at the time their bids were submitted. He therefore felt that if the concession is rebid the highest bidder, being Host, would have to be the lowest bidder the next time around. He felt that in that event any bid higher than Host's would be economically unsound, creating the potential for higher prices and a cutback of service. He felt that Host fairly won the contest, using the same set of ground rules as everyone else, and the bid should be awarded to Host International and its partner.

Commissioner Bernstein asked Mr. David Suzuki to address the Commission.

Mr. David Suzuki, representing the Duty Free Shoppers/Kass Management joint venture, felt that the Commission must keep in mind that the qualified joint venture bid preference was offered for the purpose of encouraging bidders to bid in this form and doing business as a joint venture involves higher costs and inefficiencies for which the bidder is compensated by the bid preference. He felt that the bid

preference should be available only to qualified joint ventures or those joint ventures that would provide the requisite degree of participation for its minority partner. Duty Free consulted with HRC on a number of occasions when they were formulating and negotiating their joint venture with Kass Management, although they did not have enough time to go through a pre-certification process. He said that the HRC Director's determination to deny the Duty Free Shopper's/Kass Management joint venture is puzzling because the determination quotes a section of their agreement which specifically provides that the concession must be managed by consensus and good faith efforts to agree. In spite of such language the Director concludes that their minority partner does not have the right to participate in the management and policy-making decisions of the concession. He said that this is contrary to the HRC staff report, attached to the determination, which concludes that the degree of participation provided in their joint venture was sufficient for the bid preference.

Mr. Suzuki said that in contrast to statements made by Host representatives it is not enough simply to look at the absolute numbers. He said that each bidder formulated its joint venture in response to what it thought was required for a qualifying joint venture. He said it was also obvious from reading the HRC staff report that some bidders provided for far more participation and control by minority partners than others. He said that it goes without saying that the greater the degree of participation and control, the greater the involvement in the joint venture is afforded to the minority partner, and the greater the inefficiencies and cost involved. Each bidder had to consider these costs when they were formulating their bids. He said that there is no way to tell what would have been bid in the absence of the availability of the joint venture bid preference. One joint venture, involving greater cost and inefficiencies, had to put forth a lower bid number; another joint venture, involving virtually no inefficiencies, would have a higher bid number. The point being that there is no way to tell what the numbers would have been in the absence of the bid preference.

Mr. Suzuki encouraged the Commission to examine the Director's decision and recognize that it is erroneous on its face and that the Duty Free Shoppers/Kass Management joint venture is entitled to the bid preference. Failing that, he asked that the Commission recognize that there is no way to fairly evaluate the bids and that all bids be rejected.

Mr. Suzuki said that award of the concession to the current highest bidder would establish a number of negative precedents. It would stand for the proposition that bids may be orally amended and supplemented after the bid opening, involving the Commission in countless future disputes as future bidders attempt to orally amend, supplement and modify their bid documents after the bid opening.

Mr. Suzuki concluded by saying that although there is no way to tell what the bids would have been were there no bid preference it is still undeniable that a prime concessionaire operating the space by itself under a sublease arrangement would have been able to submit a higher bid. He said that it is also true that the structure currently offered by the highest bidder was characterized by HRC as providing a very limited role for its minority partner, who would occupy approximately 10 percent of the concession space in a subtenant capacity. If the Commission accepts the bid of the current high bidder they will be accepting an arrangement which results in reduced revenue to the Airport in exchange for a structure which does nothing to advance any affirmative action purpose. He urged the Commission to exercise its discretion to reject all bids and reject

the concession even if the determination of the HRC Director is accepted.

Commissioner Bernstein asked Ms. Givens if she wished to address the Commission.

Ms. Marsha Givens, President of ABC Cigar Company, said that her company has been operating at the Airport for over 30 years. They operated shops in the International Terminal in the 1950's and are now operating the news/gift concession and a candy/flower shop in the North Terminal. During the past four years the company has been under her direction and owned by her mother, Mrs. Marsha Lahey. Her four sisters operate and work within various capacities in the company and serve on their Board of Directors. She said they are a local company and have resided in San Francisco since 1910. ABC Cigar employs about 30 people, mostly women and minorities, and during the last four years they have become substantially more profitable.

Ms. Givens believed that ABC Cigar should be awarded this lease as they meet the requirements of financial ability, experience and WBE certification. She said that it was stated at the pre-bid conference that this principal concession, being smaller than the others previously awarded, was a good opportunity for a minority or a woman-owned business to operate. If all bids are rejected and the minority and woman-owned requirements are thrown out the original intent of the bid will be undermined.

Ms. Givens added that the Airport would not be losing substantial revenue in accepting ABC Cigar's bid as their bid was only \$61,000 less than Host's, \$12,000 less than Duty Free's and a substantial \$500,050 over the minimum annual guarantee of \$500,000. She told the Commission that Cahill Construction assured them that their shops can be open and operating by July, the prime summer months. She added that two years ago they remodeled the San Francisco Expression Shop and operated a limited news/gift concession during its construction.

Mr. Turpen said that his recommendation was to reject all bids, modify the specifications and rebid the concession.

Commissioner Tsougarakis felt that there has been too much ambiguity during this bid process. She said that a lot of questions have surfaced and agreed that a new bid would be in order.

Commissioner Fleishell agreed. He said that it was tragic that major companies who have done business for years at the Airport have not been able to deal with our rules. He agreed that the staff report was completely contrary to the conclusion reached by the Director of HRC. He regretted that this would put the third bidder at a disadvantage but he felt that everyone must be taken into consideration. He said that there must be a clarification on how a bidder complies with HRC requirements.

Mr. Turpen said that there will be two changes in the specifications: the minimum bid will be \$700,000 and the requirement of a 25 percent minority/10 percent woman set aside will be eliminated. He said it would be bid as a straight business opportunity, subject only to those sections of the Administrative Code that are presently applicable within the City of San Francisco.

Commissioner Fleishell said that the City Attorney has sent the Airport a letter indicating that Host and Duty Free have been disqualified and although the Commission usually follows the City Attorney's advice, they are not bound to it. However, as a matter of

policy, they do follow HRC's recommendations. While the Commission sometimes disagrees with their conclusions he did not feel that one agency should be at war with another. He said he would reluctantly vote to reject all bids.

Commissioner Bernstein agreed that the Commission did not have a choice in this matter.

The following item was removed from the calendar.

4. Award of Boarding Area 'E' Principal Concessoin Lease

Resolution awarding Boarding Area 'E'
Principal Concession lease.

The following item was unanimously adopted.

5. SFO Airporter Request for Change in Permit Fee

No. 87-0031 Resolution denying SFO Airporter's
request for change in permit fee.

Mr. Turpen reminded the Commission that Mr. Steve Leonoudakis had requested a change in SFO Airporter's operating permit to reduce their fee. He recommended denying request.

Mr. Gordon Esposto, General Manager of SFO Airporter, told the Commission that Airporter is in direct competition with SuperShuttle for passengers. He told the Commission that SuperShuttle pays 6 cents per passenger while Airporter is required to pay \$1.02 per passenger. He said that Airporter's patronage continues to diminish and pleaded with the Commission to allow them to base their fee on their revenue not on the deplaned passenger figure.

Commissioner Bernstein asked Mr. Esposto if Airporter would move to the upper level.

Mr. Esposto responded that the move would be worth something but not eight times what the other carriers were paying. He said Airporter pays 3-1/2 cents per deplaned passenger but some of those passengers utilize the services of their competition.

Mr. Turpen responded that this permit can be cancelled by either side with 30-days notice. He hoped that SFO Airporter would move with the Airport as expeditiously as possible in getting the new Airport Motor Coach Service Agreement bid in order and lay this question to rest. He did not think that after holding significant public hearings the Commission should change the rate structure for this permit based on a request from the permittee. He said that the next change will be when this matter is bid and whatever calculation and method of payment is contained in the new bid document will then be what applies.

6. Funding Authorization - Arts Commission

87-0032 Authorization to Fund \$10,000 for the
Arts Commission - Fiscal Year 1986-87

Mr. Turpen told the Commission that this fund will provide for a

conservator's inspection of the Airport's permanent art collection and clean those works of art requiring attention. He said that these funds should be provided on a one-time only basis pending the Art Commission's development of a City-wide art maintenance program in which the Airport would participate.

Commissioner Bernstein felt that since the Airport owned these pieces of art they should be kept in order.

Mr. Turpen agreed but told Commissioner Bernstein that maintenance of art works is the responsibility of the Art Commission. He said that if they are not doing their job then they should be encouraged to do so. If they want to abdicate their responsibility to the Airport we would be happy to buy the art, install it and maintain it.

7. Authorization Agreement for Parking/Transportation Management Services

87-0033

Authorizes Director to enter into agreement with RIDES for Bay Area Commuters, Inc. to provide San Francisco International Airport with employee-oriented Parking/Transportation Management Services.

Commissioner Fleishell said that although this is something the Mayor wants he came across an article about five major transit agencies that are losing hundreds of thousands of riders due to the drop in the price of gasoline. He said he talked to BART, the Golden Gate Bridge District and Muni and they do not think this program is a good idea at this time because people want to drive their cars. He agreed that this firm does good work but the consensus of the people he talked to in the transportation industry who have tried to encourage this program could not get their employees out of their cars, even when offered various types of incentives.

Commissioner Fleishell told the Commission that a record number of cars are being sold and last month the record for gasoline sales was broken in California. He said that someone should check the benefits of this program and suggested that the Mayor might be getting bad advice on this.

Commissioner Tsougarakis said that Commissioner Fleishell might be correct however she felt that the Airport had some specific needs relative to the parking lots and there should be immediate relief of the problem. She said that this will pay for itself as space will be freed up for long-term parking. She felt that even if the Airport realizes only half of the 1600 spaces the organization estimates it would mean quite a bit of revenue.

Commissioner Fleishell suggested monitoring the program.

Commissioner Tsougarakis agreed and said she looked forward to a six-month report.

Commissioner Bernstein, referring to the specifications in the contract, asked why the number of hours to be worked was mentioned. He did not understand what difference it made as long as the contract is completed.

Mr. Sheldon Fein, Landside Operations, responded that part of the requirement is that RIDES must supply a full-time employee to work at the Airport for a period of 18-months and RIDES was simply trying to clearly define the terms.

8. Rejection of All Bids - Contract No. 1564:
Rehabilitate Drainage Pump Station No. 1

No. 87-0034

Resolution rejecting the four bids received for Contract No. 1564. The Human Rights Commission has determined that the bidders were non-responsive.

Commissioner Fleishell said that this was another example of a company who has been in business for years and done work for the Airport yet could not comply with HRC's MBE/WBE goals. He said that time and money has been wasted and something must be done to correct the confusion.

Commissioner Tsougarakis asked if an HRC representative attends the pre-bid conferences.

Mr. Turpen responded that there is an HRC representative at the Airport who attends them.

Commissioner Tsougarakis recommended that this be dealt with by the Director. She said that there should be agreement ahead of time as to what the rules are and those rules should be followed. She said she did not know how that could be accomplished but offered to attend a meeting with Mr. Turpen and Mr. Mickens.

Mr. Turpen asked that staff have an opportunity to take a look at it. He said there are so many aspects to this subject that while it is possible to establish a definition ahead of time, situations can arise that shed an entirely different light on the matter.

Mr. Turpen said that the staff will continue to do the best it can in advising bidders. He said that most contracts go through in a straightforward manner.

9. Bid Call - Contract No. 1802:
Extend Blast Fence, Taxiway 'A' at Road R-16

No. 87-0035

Resolution approving bid call for Contract 1802 to extend existing blast fence between Taxiway 'A' and Service Road R-16 to eliminate jet blasts from PSA's aircrafts.

10. Award of Contract No. 1435B:
Reconstruct Taxiways 'A' and 'B', Phase II

No. 87-0036

Resolution awarding Contract No. 1435B to Ghilotti Bros., Inc. in the amount of \$2,076,410.00

Six bids were received on January 28, 1987 ranging from \$2,076,410.00 to \$2,529,381.00.

11. Renewal Options for Rental Car Concession Agreements

No. 87-0037	Five resolutions authorizing the
No. 87-0038	fourth one-year option for each of the
No. 87-0039	current rental car operators.
No. 87-0040	
No. 87-0041	

Item No. 12 was put over for 30-days.

12. Electronic Security Door System Project - \$2-Million

Resolution authorizing the addition of the Electronic Security Door System Project to the Airport's Five-Year Capital Projects Plan.

Commissioner Bernstein asked Mr. Paul Van Wert if he wished to address the Commission.

Mr. Van Wert, Chairman, Airport-Airline Affairs Committee, asked the Commission for a 30-day postponement to consider the inclusion of this item in the capital plan. He said that although blame can be placed on both sides he believed the consultative process between the airlines and the Airport staff has fallen apart on this project. He said that staff did bring it to the Committee's attention five-months ago, not six, so they are entitled to an additional 30 days of consideration based on the terms and conditions of the Lease and Use Agreement.

Mr. Van Wert explained that since staff was unable to answer all the questions asked of them five-months ago the Committee was unable to consider it at that time so he did not think the clock started running in the Lease. He said that five or six months have gone by and the airlines were unaware that staff wanted to proceed with this project. Last week the Committee received a letter indicating that the six months were up and this item would be presented to the Commission. He requested the 30-days for review and promised the Commission and staff a meeting to deal with this matter so the Committee could comment on this project. He said he did not know a lot about this subject and suspected that only two airlines were aware that staff wanted to proceed.

Commissioner Tsougarakis asked if a postponement presented a problem.

Mr. Turpen responded that it would not be a problem.

The following items were unanimously adopted.

13. Establishment of Narcotics Forfeiture Fund for Airports Police

No. 87-0042	Resolution approving and recommending adoption of Board of Supervisors amendment to San Francisco Administrative Code to establish and authorize receipt and expenditure of funds from Airport Police Narcotics Forfeiture Fund.
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Mr. Turpen told the Commission that this is an administrative

requirement of the Controller that a fund be established to handle the receipt of monies forwarded to the Airport by the Federal Government as part of the Narcotics Forfeiture Program.

Commissioner Fleishell asked who would make withdrawals from the account.

Mr. Turpen responded that this is an Airport account.

14. Annual Renewal of Professional Services Contract with O'Brien-Kreitzberg & Associates, Inc.

No. 87-0043	Resolution approving renewal of professional services contract with O'Brien-Kreitzberg & Associates, Inc. to continue to provide scheduling, cost control, inspection and monitoring services, and to provide personnel and equipment resources for the Airport's Modernization and Replacement Program - Budget for 12-month contract period: \$776,000
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Commissioner Fleishell said that O'Brien-Kreitzberg seems to be doing a good job.

Mr. Turpen said that there will be one more to conclude the M & R Program.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

15. Retirement Resolution:
Conrad I. Ryndik

No. 87-0044

16. Retirement Resolution:
Yong Hon "Bob" Lee

No. 87-0045

17. Retirement of the Honorable Joseph P. Bort from the Metropolitan Transportation Commission

No. 87-0046	Commending the Hon. Joseph P. Bort on his retirement from the Metropolitan Transportation Commission, his vacating the Chair of the ABAG/MTC Regional Planning Committee which he has occupied for the last 13 years, for the significant impact he has provided the Airport's surrounding communities, and the development of the SFO.
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18. Declaration of Emergency - Water Main & Pavement Repair
Contract No. 1776

No. 87-0047

Resolution ratifying the action of the President of the Commission in declaring the emergency in water main and pavement failure at the Northeast Court between Boarding Area 'E' and the International Terminal, and directing the Director of Airports to effect the necessary repairs.

19. Declaration of Emergency - Electrical Duct Repair
Runway 1R-19L at Taxiway 'F'
Airport Contract No. 1772

No. 87-0048

Resolution ratifying the action of the President of the Commission in declaring an emergency in electrical duct failure at Runway 1R-19L and Taxiway 'F' intersection, and directing the Director of Airports to effect the necessary repairs.

20. Approval of Claims Settlement

No. 87-0049

Resolution approving the Settlement of Claims not exceeding \$2,500.00 for the period July to December, 1986. Total Claims: \$10,213.65

21. Design Review Approval for Automatic Teller Machines Enclosure in the South Terminal

No. 87-0050

Resolution approving the schematic design of the enclosure for Automatic Teller Machines in the South Terminal.

22. PSA Ground Support Equipment Facility - Plot 1
T-3220 - \$250,000 - No Cost to City

No. 87-0051

Resolution approving PSA's conversion of a portion of existing building in Plot 1 for ground equipment maintenance.

23. Continental Airlines Cargo Facility Plot 10
Conversion of Existing Hangar for Air Cargo Handling
T-3138 - \$200,000 - No Cost to City

No. 87-0052

Resolution approving Continental Airlines' proposed conversion of existing Hangar on Plot 10 for Air Cargo Handling.

24. Type II Modification for Contract 1432A:
Relevel Runway 28R, Extend Taxiway 'K' and Fillets of Taxiways 'D'
and 'R'

No. 87-0054

25. Travel/Training for Airports Commission Representatives

No. 87-0053

* * *


I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 10:25 AM to go into closed session.


Jean Caramatti
Commission Secretary

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MINUTES

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DIANNE FEINSTEIN, MAYOR

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President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

DON RICHARDS STEPHENS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

March 17, 1987

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Minutes
of the
Airports Commission Meeting

March 17, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:05 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

Morris Bernstein, President
J. Edward Fleishell, Vice President
Z. L. Goosby
Athena Tsougarakis
Don Richards Stephens

* * *

C. DIRECTOR'S REPORTS:

The following item was put over to the next meeting.

1. Airport Motor Coach Service Agreement Pre-Bid Conference

Report on Airport Motor Coach Service
Agreement pre-bid conference and
proposed revised specifications.

Mr. Lou Turpen, Airport Director, said that the pre-bid conference was conducted per the Commission's direction. His memo to the Commission contains comments made by the attendees as well as staff's ideas at that time.

Mr. Turpen said that at the same time a pre-bid conference was being conducted staff was also responding to a Commission direction to do an evaluation of the use of the Airport roadway system in terms of congestion and a number of other things. Staff feels it is important to factor that analysis, which has recently been concluded, into the Airport Motor Coach Service Agreement. He asked the Commission to allow staff to return in two weeks with suggestions as well as input from the pre-bid conference.

Commissioner Goosby asked if these were recommended revisions to the specifications.

Mr. Turpen said that was correct. He said that the current evaluation of the roadside leads staff to believe that some other alternatives might be prudent. In that event it might be appropriate to have a second pre-bid conference to address those things that might be changed.

Mr. Turpen recommended that this matter be put over for two weeks in order to give staff the opportunity for further review. If the Commission wishes to change or incorporate any ideas, staff can handle it at that time. He said that there would then be a mini pre-bid conference to address those changes from the basic specifications and after which time the bidding should move ahead fairly quickly after that.

Commissioner Goosby asked if the specifications have been worked out as a result of the pre-bid conference and if they reflected staff's tentative recommendations.

Mr. Turpen responded that staff tried to define the issues and capture the attendee's comments. Rather than make recommendations, staff offered their reactions to the pre-bid conference. He said that staff wanted to share this information with the Commission and remind them that a pre-bid conference had been conducted and that staff was proceeding as directed.

Mr. Turpen said that there may be changes to the specifications and commenting on them at this time would be premature. He said that within the next couple of weeks there will be a revised set of specifications which can be addressed far more productively.

Commissioner Goosby said that the speakers have a right to address the Commission unless they voluntarily withdraw their names.

Commissioner Tsougarakis added that speakers should understand that any comments they wish to make to the Commission will be made on out-dated information. If speakers would rather defer until the next meeting it would probably work out better for everyone.

Mr. Turpen suggested calling on the speakers to see if they wished to address the Commission at this time.

Commissioner Bernstein asked Mr. Richardson of Luxor Cab if he wished to address the Commission.

Mr. Richardson said that he would not address the Commission at this time.

Commissioner Bernstein asked Mr. Gordon Esposto if he wished to address the Commission.

Mr. Esposto, General Manager of SFO Airporter, told the Commission that he has operated that service at the Airport for 22 years. He said that the specifications issued this week merged the van operation with the bus operation and felt this would effect each and every facet of ground transportation at the Airport. He explained that at the present time there is a taxicab operation, limousine operation and van operators on the upper level; the bus operation is on the lower level, inside curb.

Mr. Esposto said that he has a transcript of the pre-bid conference, which he attended, and told the Commission that there were many issues discussed at that meeting that are not addressed in the staff recommendations. Among them was the move of the operation to the courtyards which would force passengers to claim their baggage and walk hundreds of yards. Another is moving the bus operation to the center island on the outer roadway. Yet another is the number of buses. He said that these specifications have been discussed for the past three or four years and at one pre-bid conference the entire contract was changed.

Mr. Esposto said that Airporter feels that payment to the City should be based on the percentage of the operator's revenue, not on the number of deplaned passengers or the \$400,000 annual minimum.

Mr. Esposto felt that these specifications were tailored to SuperShuttle. If they were to move their operation to the lower level it would eliminate Airporter, and a lot of the cab and limousine operations. He said that if SuperShuttle were not the successful bidder they would continue to operate on the upper level and demand for that service would far exceed any on the lower level. He said that if SuperShuttle were the successful bidder they would move their operation to the lower level.

Mr. Esposto said that another area not discussed was the patronage that would be demanded and the number of van trips that would be necessitated. He felt that between 100 and 150 vans would be required to move the more than 5000 passengers each day and that an environmental impact report should be required. Over the last 20 years Airporter has found that at certain times up to 600 passengers must be moved in an hour yet the present specifications require only 25 vans and six buses.

Mr. Esposto felt that there should be a new pre-bid conference as well as an entire new bidding process.

Mr. Turpen said that he appreciated Mr. Esposto's speculation on what might happen however he felt that at this point such speculation is premature. Staff will return to the Commission with specifications that can be discussed more realistically.

Commissioner Bernstein asked Mr. Somers if he wished to address the Commission.

Mr. Somers said that if vans are added they should display taxi symbols as they would end up functioning as taxis. He has seen this on the upper level and said that SuperShuttle is not picking up by appointment. He felt that the bus service is doing a wonderful job.

Mr. Somers urged the Commission to reconsider and not include vans in the pre-bid documents but continue in the current fashion.

Commissioner Bernstein asked Mr. Steve Leonoudakis, SFO Airporter, to address the Commission.

Mr. Leonoudakis said that the document on ground transportation had no resemblance to the report dated March 6 from the Director to the Commission. He said that there is a transcript of the pre-bid conference, at which ground transportation was discussed, that covered a myriad of problems. He urged the Commission to read the transcript. He felt that the summary presented by the Director was written for SuperShuttle.

Mr. Leonoudakis said that the pre-bid conference attendees wanted to amend the agreement to include language stating that the Commission would control unauthorized ground transportation operators. He quoted Mr. Turpen as saying that there need not be an amendment; the language to that effect is in the Airport Rules and Regulations which are made a part of the agreement. Mr. Leonoudakis said that ordinarily when rules are made part of an agreement they are attached as an addendum, like other exhibits. He asked the Commission to attach the rules to the document as an exhibit; he does not want them implied. He said that the successful bidder will have to pay the Airport and in return the Airport must control the traffic and enforce the rules. He told the Commission that he talked to

Mr. Garibaldi this morning and Mr. Garibaldi was opposed to this.

Mr. Leonoudakis said that Mr. Turpen feels that passengers coming to the Airport should have freedom of choice in deciding how they get to the City. Mr. Leonoudakis agreed that all of the transit options (bus, limousine, taxi, and van) should be preserved but if peace and harmony are to be preserved among the operators the vans should not be allowed to operate in the taxi area. He explained that if all the vans are placed on the lower level, at least 125 to 150 will be needed. He said that this document allows them to solicit in the terminals, gives them first opportunity with the customer, and provides curbside parking adjacent to the courtyard. In addition, they will have the lowest fare and operate on-demand, just like taxis.

Mr. Leonoudakis agreed with the previous speaker who argued that if vans operate like a taxi service they should display taxi symbols. He said that a passenger will opt for a \$7.00 van fare as opposed to a \$22.00 limousine ride, or a \$25.00 cab ride. He said that the taxi service will be destroyed, and with it, passenger options.

Mr. Leonoudakis urged that if the Commission wants a van component they should operate upstairs and a van-only contract should be bid on a percentage basis. He felt that each transit option could operate in its own space. The buses could operate downstairs, the vans upstairs, and the taxis and limousines in their current locations. This would afford the Airport another opportunity for revenue.

Mr. Leonoudakis also complained that the document doesn't call for a percentage of gross it calls for a minimum. He said that SuperShuttle claims they will eventually operate all over the Bay Area, much the same as they operate in Los Angeles. He said that if they are put downstairs curbside on the inner roadway with first shot at the passengers they will create a tremendous amount of business and the dollar volume will be huge. He felt they should pay a percentage of a possible \$10-million with \$1.2-million for the City, as opposed to 3¢ per deplaning passenger or \$360,000 for the City.

Mr. Leonoudakis said that this document in no way resembles what he thought would be discussed at this stage of the procedure. He said that the original document indicated there would be a configuration of a minimum of 12 buses; now it is down to six buses.

Mr. Turpen reminded the Commission of its three minute rule. He felt it important that there be no speculation.

Mr. Leonoudakis added that the one thing left unanswered at the pre-bid conference was the question of prevailing wage.

Mr. Leonoudakis concluded his remarks by saying that the Commission wants to pre-qualify and certify all the bidders and then wants the bidders to submit an operating plan. He urged the Commission to obtain those operating plans before and during the pre-qualifying process, not after.

Commissioner Bernstein asked for a copy of the transcript to which Mr. Leonoudakis referred.

Mr. Turpen said he appreciated Mr. Leonoudakis's interest and applauded his desire to insure that the resulting contract will be one in which he feels he can be competitive. He reminded the Commission that Mr. Leonoudakis spent many hours testifying before them with a singular orientation but staff has the responsibility to provide a more balanced view.

Commissioner Bernstein asked Mr. Joseph Musacchia if he wished to address the Commission.

Mr. Musacchia said that cab drivers pay \$1.50 each time they run through the Airport. He said that if 10 or 12 passengers are being loaded into a SuperShuttle van at the curb, taking away business from taxicabs, this option for a van will ultimately result in a loss of revenue to the Airport.

Mr. Musacchia said that there will also be a congestion problem. During peak hours there is heavy congestion and a van service on the lower level will increase that congestion. He said that there are plenty of cabs in the staging area, the problem is getting them to the curb. As an alternative to placing the vans on the lower level, he recommended trying to figure out some way to bring the existing transportation to the customers more expeditiously.

Commissioner Bernstein asked Mr. Hal Muskat if he wished to address the Commission.

Mr. Muskat declined to speak.

Commissioner Bernstein said that this item would be put over for two weeks.

* * *

C. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Fleishell said he sent a memo to the Commission resulting from the Commission's rejection of all bids on the principal concessionaire proposal at the last meeting. He said he talked with representatives from the City Attorney's Office and found that the reason the bids had to be rejected was because neither Host nor Duty Free could get an approved contract after weeks of negotiating with the Human Rights Commission. He suggested an advance approval of contracts. He indicated that the City Attorney's Office thought it was a good idea and they suggested adopting a resolution requesting that the Director of Airports meet with the Director of HRC to work out an advance system for these types of agreements. In order to effect this he asked the Commission to waive its rule prohibiting an uncalendared item from being adopted so that action could be taken.

Commissioner Fleishell also suggested that rather than just having the individual contract, articles of incorporation, etc., the Airport, or preferably the HRC, create a file of approved contracts so that when the smaller bidder wants to bid he doesn't have to hire lawyers to draw up contracts.

Commissioner Goosby agreed adding that there is some confusion as to what constitutes a legitimate joint venture.

Commissioner Fleishell said that once there is an approved form of agreement a party can use that agreement and make whatever changes are appropriate and note them in the transmission document.

Commissioner Goosby noted that Commissioner Fleishell's memo omitted the Local Business Enterprise and asked if it was an intentional omission or was it assumed that all three categories would be considered.

Commissioner Fleishell responded that his experience indicated that the LBE doesn't seem to have the same kinds of problems because any new joint

venture is automatically a local business enterprise. He said that most of these joint ventures were invented yesterday and have zero experience but since they were formed here they are, by definition, be a local business enterprise. He added that he would welcome any improvement on his recommendation.

Commissioner Goosby said that there was a discussion several years ago about getting bidders together to try to eliminate problems with technical omissions.

Commissioner Fleishell said that he made a motion for bifurcated bidding at that time. He also suggested that any approved agreement should contain language forbidding any amendment or change in the approved document without the prior written consent of both the Airports Commission and the HRC. He said it would also make invalid any side agreements. He explained that artful entrepreneurs will have an agreement and a side letter denying certain material provisions.

Commissioner Fleishell asked that he be given the written resolution for review.

The Commission unanimously voted to waive the rule and then unanimously adopted Commissioner Fleishell's resolution.

No. 87-0068

* * *

E. PENDING LEGISLATION:

2. Report on SB 267, SB 263, AB 495, AB 482 and AJR 10

Commissioner Fleishell said this was not a report but rather a summary of what the bills say; nor does it deal with their status in the legislature.

Commissioner Fleishell said there were two additional bills, AB 1398 and AB 1065. He said that AB 1065 is very important and should be carefully looked at. He felt that someone should be doing a legal analysis of these bills. If the attorney for Orange County had not analyzed the one noise bill the Airport probably would have supported it instead of opposing it.

* * *

F. AGENDA ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following item was adopted in three phases by the Commission: Motion to approve the most favored nation clause was approved unanimously; the motion to eliminate Citicorp's guarantee was approved by a 4-1 vote with Commissioner Goosby casting the dissenting vote; and, the motion to approve the assignment was unanimously adopted.

3. Resolution Approving Assignment of Citicorp Lease - Foreign Currency Exchange

No. 87-0055

Resolution authorizing Citicorp (U.S.A.), Inc. to assign its Foreign Currency Exchange Lease to Bank of America, N.T. & S.A.

Commissioner Stephens asked if the contract stipulates that Citicorp must guarantee the obligations of the Bank of America.

Mr. Turpen responded that after having written this memo, which was written before staff had had the opportunity to sit down with the parties involved to work some of these issues out, some conditions were placed designed to look at the opportunities that might be created by such an assignment. He said that the one issue he recommended be retained was to obligate Citicorp to remain on the lease. He said that there is a Commission policy that anyone assigning a lease must remain on the lease. He said that last night he spoke with Mr. Didier of the Bank of America about this and with Mr. Pannell of Citicorp as well and recommended that the assignment be approved with that condition. He also recommended that Mr. Didier's letter to Commissioner Bernstein, dated March 16, 1987, be made part of the record and that Mr. Didier has consented to its inclusion.

Commissioner Stephens said that someone from the bank called him and this issue seems to be of great importance to them. He said that this gentleman had two requests: that Citicorp not remain on the lease. Commissioner Stephens said that while this was not an important issue to him it seemed to be important to the bank. The second is that the favored nation clause, stipulating that whatever rates are offered downtown must be offered at the Airport, be eliminated. Commissioner Stephens said he was opposed to that. He felt it was an important provision.

Mr. Turpen said that a letter received last night from the Bank of America stated that "as a matter of policy we will continue to provide the same foreign exchange rates both at the Airport and at our downtown location". He said that the Bank's commitment in their letter would be satisfactory to him.

Commissioner Stephens said it would not be satisfactory to him as a contract is within the Airport's ability to enforce it, and a matter of policy is within the Bank of America's ability to change it. He said he did not see any reason why they would change it but as long as they agree to charge the same rate at the Airport we should be protected by contract.

Mr. Turpen responded that that is not in the assignment. The assignment was received late yesterday and Mr. Garibaldi has reviewed it. The assignment releases Citicorp from any liability under the contract. He again said that in past years when the Commission got into discussions as to who should remain on a lease and who should not, the Commission made it a rule that everyone would remain.

Commissioner Stephens said that staff has requested that the bank not be allowed to do foreign exchange at domestic banking offices. He asked if they are currently permitted to do this.

Mr. Turpen responded that of all the conditions before the Commission the only one that remains outstanding in his mind is the assignment of Citicorp. In response to Commissioner Stephens, Mr. Turpen replied that the Bank of America has the right to sell foreign currency from its domestic banking operation in the International Terminal. He said that one of the options is that it be moved so that there would not be a conflict between domestic banking and foreign exchange and the queuing problems would be alleviated. He said that the Bank has evaluated it and assured staff that it would not be a problem so he no longer objects.

Commissioner Stephens said that seemed to be important to them and he did not have any objection to it.

Commissioner Fleishell said that when the lease documents were bid the Commission took a strong position that the banking function be kept separate from the foreign exchange function because foreign exchange can be conducted by a bank or another enterprise not admitted to practice banking in California. He said that if you took away the banks right to sell foreign exchange and this was later bid again we might end up with exactly what the Airport was trying to avoid.

Commissioner Fleishell remarked that as for having Citicorp give up space, legally they have no obligation to do so and he felt the Airport would be liable in such a case.

Commissioner Stephens added that it would also be unfair.

Commissioner Fleishell said that the pivotal question is whether or not Citicorp should remain on the lease. He said he was mindful of the Commission's policy but policies are not meant for the exception. He said that Bank of America's situation is unique. Rarely has one billion dollar corporation been assigned a nine-month lease from another billion dollar corporation. He had no concerns about the Bank of America's ability to handle their lease obligation. He feared that if the Commission required Citicorp to remain on the lease the press might misconstrue that action and conclude that the Commission did not have complete confidence in the Bank. He said he would not want that to occur in view of the close relationship between the Bank and the City. He made a motion to remove the condition from the consent of the Commission.

Commissioner Goosby felt that the Commission should follow its policy and Citicorp should remain on the lease.

Commissioner Stephens said that that same policy probably exists in many commercial enterprises, shopping centers, office buildings, etc., but the reason for it is to ensure that the landlord is going to be able to collect his rent due to the possible questionable credit of a new enterprise taking over. He felt that since we were dealing with two of the largest enterprises in the country Commissioner Fleishell might be correct in that we might be giving the wrong message by not releasing Citicorp and allowing the Bank of America to take it over.

Commissioner Goosby said that the Airport was not questioning the credibility of the Bank of America. He said it was not an important point to him but from the standpoint of other businesses operating at the Airport he did not feel the Bank of America should be given special privileges simply because they are a large operation.

Commissioner Bernstein did not feel that the Bank was being given special consideration. He said there was a certain reason why they don't want it.

Commissioner Goosby asked what the reason was.

Commissioner Bernstein responded that he did not know; it was not for him to ask.

Mr. Turpen said that there were two issues before the Commission. The first is whether or not to include a suggestion from Commissioner Stephens that we condition this approval upon the Bank guaranteeing the same rates as their downtown office.

Commissioner Fleishell recommended that the language should read that the Bank may not charge rates any higher than downtown, thus giving them the opportunity to charge lower rates.

Mr. Fred Pownall, Citicorp, said that there currently is a provision in the lease, section 3.02 that allows the Director to review prices charged by entrepreneurs and make objection to those prices, to which the lessee is obligated to respond. He said that in this particular case if that kind of condition is imposed on the assignment the Airport would be amending not only Citicorp's lease, which is assigned, but the Bank of America's lease as well, which is an entirely separate transaction and not before the Commission. He said that there is a recent California Supreme Court case (December, 1985, the Kendall Case) which says that a landlord may withhold consent to an assignment only where the assignment would be commercially unreasonable. He said that commercially unreasonable is defined by the court to mean that the assignee is not able to take care of the rent, change in use, etc. He said that in this instance exactly the same situation that the Airport and Citicorp contracted for is being transferred to the Bank of America. If there is a price differential, and the Bank of America has represented that there is not one, there is a remedy in the lease. The other is that there is a legal problem because the condition the Airport is imposing not only on Citicorp's lease, but on the Bank's as well.

Commissioner Tsougarakis said that we are going from a competitive business to a monopoly and all we are trying to do is protect the passengers in terms of making sure the rates are appropriate.

Mr. Turpen, referring to his memo to the Commission, said that items 3 and 4 are no longer issues.

Motion to approve the most favored nation clause. The vote was unanimous approval.

Motion to eliminate Citicorp's guarantee. The motion was approved by a 4-1 vote with Commissioner Goosby casting the dissenting vote.

Motion to approve the assignment. The motion was unanimously approved.

The following items were unanimously adopted.

4. Resolution Rejecting Bid for International Terminal Shoeshine Lease

No. 87-0056	Resolution rejecting the bid of Clarence Washington for the International Terminal Shoeshine Lease.
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Mr. Turpen told the Commission that Mr. Washington bid \$3,000 but never filed a bid bond and never carried through with the bid process.

Commissioner Bernstein asked if Mr. Washington is represented by Walter Kaplan.

Mr. Turpen responded that he is and Mr. Kaplan is a 49 percent partner in A Step Up Shoeshine, which is a South Terminal bidder.

Mr. Turpen said that this will have to be re-bid but was not sure if it should be re-bid right away or if it should remain a month-to-month with the existing operator. He said that when the Commission first approved the bid it was decided that a dual opportunity should

be created. Presently, the existing operator runs the International and South Terminals on a month-to-month basis. He said that arrangement will continue until the South Terminal is bid and then something will be set up for the International Terminal.

Commissioner Goosby said that there are agencies funded by the City that provide assistance to small businesses and minority businesses in preparing their bid documents, fulfilling the requirements of the bid and procuring the bond. He said that Airport staff is familiar with some of these organizations and bidders should be told about them.

Ms. Angela Gittens, Deputy Director for Business and Finance, told the Commission that in this particular bid, since Mr. Washington was new to the bidding process and this was a small business set aside, he was given more than one opportunity to submit the bid bond. She said that if Mr. Washington had come in with the bond later staff intended to ask the Commission to waive that defect, but after having been given several opportunities he never submitted the bid bond.

Ms. Gittens added that staff advises bidders of the organizations Commissioner Goosby mentioned on a routine basis.

Commissioner Goosby asked how this would be re-bid.

Mr. Turpen responded that because it is a separate bid from the South Terminal, and that bid is out, it might be advisable to keep the International Terminal on a month-to-month. He said that this might be folded in as a minority opportunity with the Barber Shop lease and not kept as a stand alone. He said that staff will have to take a look at it.

5. Rental Credit - Amlock, Inc.

No. 87-0057	Resolution approving a rental credit to Amlock, Inc., for the removal, relocation and space renovation of public lockers, in an amount not to exceed \$40,250.
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6. Resolution Exercising Option and Establishing a New Rental Rate - United Air Lines, Plot 6

No. 87-0058	Resolution exercising the option for Lease of Plot 6, United Air Lines, Inc., and establishing a new ground rental rate.
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7. Renewal Option for Lease of Entertainment Center/Video Game Room in the North Terminal

No. 87-0059	Resolution authorizing the final one-year option of the lease of Entertainment Center/Video Game Room in the North Terminal.
-------------	--

8. Resolution Approving Design Review of Cafeteria

No. 87-0060

Resolution approving the design review and authorizing Host International to renovate the North Terminal Boarding Area 'F' Cafeteria.

Commissioner Goosby thought the idea sounded good.

Mr. Turpen said that this is part of Host/Marriott's program to renovate and upgrade their facilities.

9. Tenant Improvement:

Host International, Inc. - Crab Pot Restaurant and North Beach Deli Remodel - North Terminal - \$160,000 - No Cost to City - T-3228

No. 87-0061

Mr. Turpen said that this remodeling was necessary in order to comply with the State health code.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

10. Retirement Resolution:

Ferris Fong

No. 87-0062

11. Resolution Regarding the Departure of Air Traffic Control Supervisor David R. Bahem from the Federal Aviation Administration Office in SFIA

No. 87-0063

Resolution expressing appreciation for the services of Mr. David R. Bahem during his tenure with the San Francisco International Airport's Federal Aviation Administration Office and best wishes for his appointment as Air Traffic Manager, Hayward Tower.

12. Declaration of Emergency:

Drainage Pipe Repair - Parking Lot 'C'
Contract No. 1779

No. 87-0064

Resolution ratifying the action of the President of the Commission in declaring the emergency in drainage pipe failure at Parking Lot 'C' and directing the Director of Airports to effect the necessary repairs.

13. Contract No. 1585R:
Emergency Security Fencing Repairs (1985-86)
Type II Modification

No. 87-0065

Resolution approving contract
modification to extend time of
completion for 6 months.

This contract provides for fence
repair service on an as-needed basis.

14. Resolution Modifying Mexicana Airlines' Lease and Use Agreement

No. 87-0066

Resolution modifying the Exclusive Use
space included in the Mexicana
Airlines' Lease and Use Agreement.

* * *

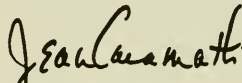
H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the
meeting adjourned at 10:05 AM to go into closed session.


Jean Caramatti
Commission Secretary



Bank of America

San Francisco Headquarters

March 16, 1987

Honorable Morris Bernstein
President
Airports Commission
San Francisco International Airport
San Francisco, CA 94128

Dear Mr. Chairman:

We would like to raise questions regarding conditions recommended by the Director of the San Francisco International Airport regarding the transfer of the foreign currency concession. Citicorp and Bank of America have agreed to terms for the assignment of the Citicorp foreign exchange concession to Bank of America, subject to agreement by the Airport Commission.

The condition that concerns us the most is the right to do foreign exchange in the domestic banking offices. This is important because it is what keeps the domestic banking at the airport commercially viable. Without the combination, it would be a losing operation primarily cashing checks for travelers with almost no lending to offset costs.

The domestic lease is separate and distinct from any other lease at the airport, and should not be affected by the assignment in our view. By the same token it would be inappropriate to reduce the space under the terms of the contract for the foreign exchange concession as well. It appears there are legal impediments to this proposed change, given the nature of the lease.

Finally, we see no reason for the commission to ask that Citicorp remain secondarily liable under the lease. This, of course, is a matter for the commission, which can set policy in this regard.

As for rates, we intend as a matter of policy to continue to provide the same foreign exchange rates both at the airport and at our downtown location. We view that as good policy, both for the bank and for our valued customers.

Honorable Morris Bernstein
March 16, 1987
Page 2.

We know that we are bound to fulfill all the terms and conditions for the Citicorp lease and we fully expect to do so. We urge favorable action on the transfer by you and your fellow commissioners. Thank you for your consideration of our view.

I will be at your meeting Tuesday to answer any questions. Thank you.

Sincerely,

A handwritten signature in dark ink, appearing to be 'M. Didier', with a stylized flourish at the end.

M. Didier
Vice President
Foreign Currency Services

MD:bjm/0760M

cc: Honorable J. Edward Fleishell, Vice President
Honorable Z. L. Goosby
Honorable Athena Tsougarakis
Honorable Don Richards Stephens
L. A. Turpen, Director of Airports

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SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

APRIL 7, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

DON RICHARDS STEPHENS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

April 7, 1987

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Minutes
of the
Airports Commission Meeting

April 7, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:05 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

Morris Bernstein, President
J. Edward Fleishell, Vice President
Z. L. Goosby
Athena Tsougarakis
Don Richards Stephens

Commissioner Stephens was excused from the meeting at 10:45 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 3, 1987 were adopted by order of the Commission President.

No. 87-0075

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary, announced unanimous adoption of resolution no. 87-0069 directing the Director to hire the law firm of Dobbs, Berger, Molinari, Casalnuovo, Vannelli and Nadel to handle the appeal in the SFO Airporter case at the closed session of March 17, 1987.

* * *

E. DIRECTOR'S REPORTS

1. Report on Proposed Airport Van Service Agreement and Amendments to Airport Motor Coach Service Agreement

Report regarding a proposed Airport Van Service Agreement and amendments to Airport Motor Coach Service Agreement.

Commissioner Tsougarakis said it was her understanding that there's been a request for postponement of Item No. 4. She said that as a rule the Commission does not like to grant postponements but if the Commission agreed to it the public should be told now.

Commissioner Bernstein said that Item No. 4, the award of the shoeshine lease in the South Terminal, has been postponed for two weeks.

Commissioner Goosby asked why it was being postponed.

Commissioner Bernstein responded that Mr. Caplan, who represents one of the bidders, requested a postponement, claiming that he has not received certain information.

Commissioner Goosby said that this item will be returned to the Commission in two weeks, and no new bids will be accepted. He said he did not know what Mr. Caplan hopes to accomplish but the postponement will be granted as a courtesy. He said that the item will be voted on in two weeks.

Mr. Lou Turpen, Airport Director, added that anyone in the audience wanting a copy of the agenda item can see the Commission Secretary after the meeting or call the Commission Secretary's office at the Airport. The item contained in this agenda will be reintroduced as written in two weeks.

Mr. Turpen told the Commission, as a point of administrative clarification, that this is a Director's Report. Staff is presenting its thoughts on how the van service and on-Airport Motor Coach Service Agreement should be structured. The Commission will take no action at today's meeting other than to receive the report, the objective of which is to present staff's views and begin working with the industry and with the Commission to finalize an agreement which then can be put out to bid. He said that the report, which is available to anyone wanting a copy, simply outlines the current thinking and establishes a foundation for discussion concerning both an Airport Motor Coach Service Agreement and an Airport Van Service, a new concept in terms of its separation from the Motor Coach Agreement. Mr. Turpen said that the Commission can accept public testimony today. Staff will then meet with parties interested in both the Airport Van Service and in the Airport Motor Coach Service Agreement and then return to the Commission with those comments along with a final recommendation as to how those agreements should be structured. He again emphasized that the Commission would not vote today. This process will take a minimum of three to four months in the normal course of events.

Mr. Turpen said that for some time the Airports Commission has contemplated bidding an Airport Motor Coach Service Agreement and, within that agreement, a van option, which would allow the successful bidder of the Motor Coach Service Agreement to utilize vans in

conjunction with that agreement. He said there has been a lot of discussion, much of it coming from the industry, as it became more and more apparent that separating the van service from the large bus service was prudent. This report envisions splitting the former Motor Coach Service Agreement into two agreements: a Motor Coach Service Agreement for the large buses and a Van Service Agreement.

Mr. Turpen told the Commission that recent publicity has incorrectly suggested that certain ground transportation operators would be "vanished" to other parts of the Airport. This contemplates addressing only the large buses and the vans; it does not contemplate relocating any current ground transportation operator from a location which they presently occupy.

Commissioner Bernstein asked the speakers to limit their comments to three minutes. He asked Mr. Mike Sealey, Yellow Cab, if he wished to address the Commission.

Mr. Sealey reminded the Commission that just under a year ago there were hearings on a proposed fee that was to be levied on the vans as they pass through the Airport. The original proposed fee for vans was \$10. for each pass through the Airport. SuperShuttle objected, claiming that fee would bankrupt them. He told the Commission that as SuperShuttle was claiming poverty they were opening a large operation in Phoenix. He said that the fee was quietly lowered to thirty-five cents.

Mr. Sealey said he was not sure why \$1.00 would bankrupt SuperShuttle when taxicabs have been paying \$1.50 every time they pass through the Airport for years. He underscored his concern that if the specifications have not been written by one particular operator it would certainly appear to be much more for their benefit than for anyone else, or for the public. He quoted Mr. Ruiz from Lorrie's as saying that it looks as if the specifications were written so that no one but SuperShuttle could qualify. He reminded the Commission what a mad house it was at the Airport when one cab company had exclusive pick-up rights.

Mr. Sealey concluded his remarks by saying that he hoped the Commission remembers that any wrong-doing or favoritism toward any one operator will look bad for the Commission and will come back to haunt them.

Commissioner Bernstein asked Mr. Arthur Lemke if he wished to address the Commission.

Mr. Arthur Lemke, Yellow Cab, expressed his concern for the cab industry and the drivers. He said that there will not be enough room if vans are allowed to use the inside curb along with the buses. He said he would like to see a ground transportation system where everyone pays their way. The result would be more money for the Airport, and, it would be a fair system for the entire industry. He suggested that every ground transportation vehicle leaving the Airport could go through a check-out booth and pay a fee.

Mr. Lemke said he was against having vans on the inside curb. The cab drivers suffered through an additional 50 cabs on the street for the Democratic Convention and there is talk about putting more cabs on the street. He said that drivers on the weekend shifts are barely making enough to pay their gates and gas. He said it is a very difficult situation for cab drivers and if the Commission allows the vans on the inside curb, cabs and other ground transportation vehicles should also be allowed there. Each vehicle could then pay its fair share and no one would be hurt.

Commissioner Bernstein asked Mr. Andy DePaul of the Good Neighbors Airport Shuttle if he wished to address the Commission.

Mr. DePaul said that less than six months ago the Airport Director said that under no circumstances would any of the van services be allowed downstairs. He complained that they were asked to sign a contract which raised their fees from \$300 a year to about \$8500 a year and all they got for it was a parking lot that they didn't need. He said they were promised signage at the Airport, which they received, but which no one understands. Their name is printed in one inch letters on the sign post at their pick-up point. He has lost a lot of money at the Airport and now a contract is being proposed which only one company in town can possibly fulfill. He said that a minimum bid of \$200,000 is meaningless to him when his company last year grossed slightly under \$200,000.

Commissioner Goosby asked how many shuttle buses they have.

Mr. DePaul responded that they have six vans and they have never caused a congestion problem at the Airport. He suggested that if the Commission wants the vans to pick up downstairs they should all be allowed to do so and should be charged a rate of 12 percent of their income. This would open it up to everyone and there would be no hint of corruption. He said that the winning bidder will be downstairs with booths to solicit business and signage pointing passengers in their direction. The other companies will be left upstairs and they will lose a lot of their business while the company on the lower level will get 90 percent of the business. He felt that allowing all of the companies downstairs would give the Airport the same control they have with the taxis.

Commissioner Goosby asked Mr. DePaul if he could bid on this contract with other small businesses.

Mr. DePaul responded that it wouldn't work as this contract will serve the entire City and his company is pretty much a residential operation, serving only the western neighborhoods. They couldn't bid for that reason, even if they had the required \$200,000 to bid. Nor would he be able to come up with the money he would have to bid.

Commissioner Stephens explained that Commissioner Goosby was suggesting that the van companies serving the other neighborhoods combine in order to bid.

Mr. DePaul responded that he understood but explained that there are six services. SuperShuttle serves the entire City; Yellow Van Service doesn't have 25 vans, and without buying vans they aren't qualified; Lorries serves almost the entire City; California Mini Bus serves the area from Van Ness to downtown; and, Good Neighbor essentially serves from Divisadero and Guerrero Streets, west to the ocean. Even if they combined there is a large area that would not be served. He said there was no way to put the companies together and added that he would like to keep his independence.

Commissioner Bernstein said it is not the Commission's intention to rule anyone out because they are too small.

Mr. DePaul responded that it is not a matter of ruling them out because they are a small company, rather it is the fact that they are small which makes it impossible to bid with these kinds of problems.

Mr. DePaul said that he has seen the outline, not the specifications, and he, as well as a number of other people, felt that it appeared as if they were written on 16th Street, not at the Airport.

Mr. DePaul concluded by asking that all vans be allowed the same access, just like the taxis. He also complained that there are no weather shelters for van customers. Finally, he told the Commission that the signage at the Airport is very poor. Instead of saying "Shuttle Services" it says "Prearranged Transit". He argued that even if passengers could find the sign, no one knows what "prearranged transit" means.

Commissioner Bernstein asked Tony Ruiz of Lorries if he wished to address the Commission.

Mr. Ruiz asked the Commission to allow the winning bidder to purchase the vans after the bid comes out, not before. He said that no one but SuperShuttle has 25 vans at this time. He also said that the first bid bond was \$100,000. A lot of the small companies, himself included, probably would not be able to raise the \$200,000 bond. He said that some bidders would not be able to raise the \$100,000 either but they would have a better chance with amount.

Mr. Ruiz said that 12 years ago he started a van service with two women and they changed the industry. The Commission is going to change the industry again. The taxicab companies will be hurt tremendously. There will be 735 taxi cabs in San Francisco trying to pick up business. SuperShuttle, at this time, is picking up people on a charter basis in San Francisco and transferring them from point to point for one price. He said he looked this over three years ago and found it is authorized by the PUC.

Commissioner Stephens told Mr. Ruiz that he would not have to provide the 25 vans unless he received the bid.

Mr. Ruiz responded that that was correct.

Commissioner Bernstein asked Mr. Marv Gralnick of DeSoto Cab if he wished to address the Commission.

Mr. Gralnick said he represented the San Francisco Taxi Association and they were very concerned with this new bid proposal and the way it came about. He said that there is only one van company around capable of submitting a bid at this time and that is Super Shuttle. He said that at \$7.00 a trip SuperShuttle was taking business away from the Airporter bus and the cabs. SuperShuttle currently has an application in with the Public Utilities Commission for a \$10.00 fare. He told the Commission that when SuperShuttle began their operation in Los Angeles their fare was \$6.00; now, in some areas of Los Angeles it is \$20.00. If the rates go to \$10.00 he felt there should be a survey to determine how many passengers use that service. They ran Airporter out of business in Los Angeles, as well as every other bus company; they even bought out a company. He told the Commission that SuperShuttle lost three suits in areas around Los Angeles under the Cartwright Act.

Mr. Gralnick said that the average person who has a bus or a van in San Francisco is out of the picture, as well as the individual who has five or even 15 buses or vans. He said that a number of years ago Yellow Cab was the only company that could pick up at the Airport. The Commission was petitioned, as was the Board of Supervisors, and they agreed that it was only fair and equitable, and, more financially beneficial to the City to allow any cab to pick up at the Airport. Cabs currently pay well over \$1-million a year to the Airport while SuperShuttle pays only 35¢ per loop. He asked the Commission whose responsibility it was to count the loops. He felt that the entire bid was put together for SuperShuttle's benefit.

Mr. Gralnick said that there were hearings at the Airport that established rules and regulations for taxi cabs. They operate on-demand downstairs at the outside lane, while SuperShuttle will be on the inside lane.

Mr. Gralnick said that SuperShuttle is a Los Angeles-based company and the Airport should be catering to San Franciscans. He felt that a company in business and furnishing money to the Airport should be required to be San Francisco or Bay Area-based. He wondered why the Airport is dealing with Los Angeles.

Mr. Gralnick said that although SuperShuttle is not presently allowed to solicit, if this bid goes through they are going to have two booths inside where they can sell tickets and direct passengers. He said that for five years cabs have been trying to tell passengers that a cab ride downtown is \$22.00 but they are being told inside the terminals that the cost is \$35.00. The cabs have been trying to get signs put up listing ground transportation prices but they have been unsuccessful.

Mr. Gralnick said that SuperShuttle is operating as a cab service in San Francisco, picking up passengers on the street and taking them to other locations in San Francisco. The Commission should be trying to get the most money it can and the way to do that is to include every van operator. SuperShuttle is currently charging \$7.00 but without competition they will jump up to \$10.00 and then \$15.00. He said that the cab industry is simply asking for a fair shake.

Mr. Gralnick told the Commission that Lt. Gregg Winters, under the direction of Chief Jordan, asked him to tell the Commission that they are going to recommend that cabs be allowed to share a ride so that perhaps three people can ride a cab for \$7.00 a piece. He said he would like the contract to be open to every van but failing that he urged the Commission to give the van companies more time to get together and submit a joint bid.

Commissioner Tsougarakis reminded the speakers of the three minute rule.

Commissioner Bernstein asked Mr. Gordon Esposto of SFO Airporter to address the Commission.

Mr. Esposto said he has been operating the bus service at the Airport for 20 years and strongly objected to the specifications as he felt they were directed toward the vans. He requested an environmental impact report on the effect this additional traffic would have on the Airport. He told the Commission that last Friday Airporter moved 2600 people from the Airport to San Francisco, and in one hour provided 600 seats of which nearly 500 were filled. If the Airport converted to a van operation by moving Airporter buses to the outer roadway its patronage would be diminished tremendously. He said that nearly 100 vans would be needed just to take care of those 600 people in one hour, rather than the 25 vans being required. He also told the Commission that while those 100 vans are transporting passengers to San Francisco another 100 vans will be needed to transport the next 600 people. He urged that if a professional study was not done an ad hoc committee consisting of present operators should be set up.

Mr. Esposto said that the Airport currently has a transportation system that works. There are four types of services operating at the Airport and objections regarding changing the present system have come from each one. He said that the four services currently accommodate all of the patrons. He has never heard complaints regarding lack of service but he feared that if this happens there will be many

complaints. He suggested that an ad hoc committee could be charged with developing a master plan for the Airport's ground transportation.

Commissioner Bernstein asked Mr. Blake Derby if he wished to address the Commission.

Mr. Derby said that he is a driver for Yellow Cab. He asked the Commission to consider economic parity and the problems cab drivers have been facing for the last seven years. He told the Commission that first they were outside but later were moved into the garage. He recommended putting the second class service on the outside lane.

Commissioner Bernstein asked Mr. Clarence Washington if he wished to address the Commission.

Ms. Ewing, representing her son, Clarence Washington, wanted to address the Commission on the International Terminal Shoeshine Lease.

Commissioner Tsougarakis told Ms. Ewing that she was out of order; the Shoeshine Lease would be heard in two weeks.

Ms. Ewing responded that she has talked with Mr. Copelan about the International Terminal Shoeshine lease and would like to address the Commission regarding transportation at the Airport. She said that Yellow Cabs have refused to take her to certain areas of the City. She said that there is litigation pending and she asked that someone at the Airport get back to her on this.

Commissioner Bernstein asked Mr. Hal Muskam if he wished to address the Commission.

Mr. Muskam said that he has been in the cab industry for 11 years and an active driver for at least half of that time. He hoped the Commission had an open mind in this process.

Commissioner Bernstein responded that if they didn't have open minds they wouldn't be here.

Mr. Muskam apologized if he offended the Commission but said he was used to the power structure generally taking advantage of people and he hoped that would not be the case now.

Mr. Muskam told the Commission that at this point cabs are not allowed to group load and split the meter. Cab drivers, who have been in the industry for years, are not allowed to be competitive. He said he shared the concerns of others that this contract was written on 16th Street and he felt that the Lazars were in debt to the Airport and he highly resented the role they were playing in this situation. He said that the Airport has been the gravy of the business to cab drivers and he has never turned down a short load at the Airport. He told the Commission that he makes more money running short runs all night than he does running back and forth to the City. He told the Commission that this will inhibit their ability to earn a living and will force many cab drivers onto public assistance. He said that if his income drops below a certain level he will apply for public assistance and encourage other drivers to do the same.

Mr. Muskam said that it was his understanding that the method by which SuperShuttle obtained its PUC license is currently under litigation. He felt that the Commission should take a look at that litigation and its background.

Mr. Muskam said that the cab drivers are at a disadvantage because they don't pay off hotel concierges; SuperShuttle does. He said that

more than one doorman at more than one hotel has told him that if he did not pay the concierge \$2.00 for an Airport load, that load would go to the next SuperShuttle van. He said that he has been informed by people in the hotel industry that the individuals who book Super Shuttle get a kickback. He told the Commission that the cab business is not organized enough to do that but perhaps that is what they will have to do in order maintain their jobs. He said he has nothing against inexpensive door-to-door transportation between San Francisco and the Airport. Passengers should be able to travel as cheaply as possible and if cabs were allowed to group load it would be the cheapest way to travel. He said that if the Airport helped the cab drivers to become competitive it would be a whole new ball game.

Commissioner Goosby asked if cab group loading privileges are determined by the Police Commission.

Mr. Sheldon Fein, Landside Operations, responded that as far as he knew there was nothing prohibiting a group of people who want to go to San Francisco from sharing a cab.

Mr. Muskam asked if he was allowed to pull up at United when there are not enough cabs and ask people to share a cab into the City.

Mr. Fein responded that there are signs in the taxi zone that not only give the rates to every city in the Bay Area but also explains that three can ride for the price of one. He said that this sign was put up several years ago after meetings were held with various taxi associations and groups.

Mr. Muskam said that a week ago Sunday there were a number of people who had been waiting for a cab for quite some time so he group loaded them; he was then threatened with expulsion from the Airport. He also reminded the Commission that the Sunday night of Thanksgiving weekend the Airport was closed to taxicabs and there were only five cabs in the lot. He said that they hear from customers about the inconvenience, but cab drivers were not allowed to help rectify that situation because they were not allowed into the lot in order to pick up passengers.

Commissioner Stephens said that Mr. Muskam asked if, during busy periods, cabs were allowed to approach a group of people, all of whom are going to generally the same area, and ask them if they would like to share a cab for one price. He said that the answer he heard the Airport give is that cabs can group load. He asked if that was true.

Mr. Muskam responded that taxis are allowed to group load but the drivers cannot get out and solicit people into groups. He said that when the Airport is running short on taxis the starters group people and put them in the cabs. Otherwise every driver would be out at the curb trying group. He said that the sign is there and if people want to group themselves they can.

Commissioner Goosby said that group loading must then be initiated by passengers; cab driver can't initiate it. He asked who determined that it had to be initiated by the passenger.

Mr. Fein said that was determined by the Airport.

Commissioner Goosby said that there was then no restriction by the Police Commission or by the State PUC about taxi drivers soliciting group loading.

Mr. Fein said that according to the rules they are allowed to take groups of people and charge them one rate.

Mr. Muskam argued that the passengers are not aware of that.

Commissioner Bernstein asked Mr. Bob Franklin if he wished to address the Commission.

Mr. Franklin, cab driver for DeSoto Cab Company, said he has been with DeSoto for about six years. He told the Commission that he has seen SuperShuttle vans on the streets making illegal turns and he has seen them on the freeway passing taxicabs, traveling in excess of 65 mph. He believed that SuperShuttle drivers do these things because they are working on a commission; they get 30 percent of the gross.

Mr. Franklin said that SuperShuttle is not a professionally run operation and can't compare with the type of operation that Airporters offers. He said he does not ever recall seeing an Airporter bus driving in excess of 5 miles over the speed limit, however, SuperShuttle drivers consistently drive in a wreckless manner.

Mr. Franklin said that the cab driving business is getting rougher and rougher; most drivers work ten hours a day. He said that another problem is the increase in the number of cabs. Cab drivers need an hour break during the day but at the Airport it usually turns into an hour and a half, sometimes two hours. It's becoming a question of being able to afford going to the Airport.

Mr. Franklin said that cabs render an important service to the Airport because there are passengers who are not going downtown or to the more lucrative areas that SuperShuttle covers. He said that cab drivers will be impacted by this and will only be pushed so far. He said he has already heard rumblings of periodic boycotts of the Airport. He told the Commission that it will create a problem that will come back to haunt them.

Commissioner Bernstein asked Mr. Bill Lazar if he wished to address the Commission.

Mr. Lazar felt that two items in the document must be addressed. The first is that the drivers are being required to stay in their vehicles and are not allowed to assist passengers. He asked that the rule be lifted so that the drivers can lift baggage and assist passengers into the vehicle. Secondly, regarding the proposed stop areas, he said he did not think they were as accessible as they could be. He felt that the walking distance from the baggage claim areas to the current proposed stops is still quite a distance and since this is a public convenience it should be located closer to the baggage claim areas, consistent with where the buses stop.

Mr. Lazar said that his company will continue to work with staff. He said they try to follow the rules as the Airport dictates them. He said that staff has already gone through many long hours of pre-bid conferences but there may still be other things that must be addressed at the next pre-bid conference.

Commissioner Bernstein asked Mr. Gregg McKegg if he wished to address the Commission.

Mr. McKegg said San Francisco is known for its service but shoving passengers into a van would be a far cry from personal service. He said it has come to his attention that SuperShuttle started in other cities with \$6 fares, then went to \$10, then to \$15, and now it's up to \$20, the same as a cab ride. He said that if SuperShuttle gets an exclusive right to the Airport it will take about 25 percent of his income and that of the other drivers in this City. He felt that would mean that 30 percent of them will quit. Then, when the van

service gets up to the same price as a cab and the Airports Commission decides it wants them to return to the Airport, the cab drivers won't be interested.

Mr. McKegg said that service to and from the Airport will decrease. Vans add an hour to their schedule because they pick up more than one passenger at different locations. He said that whether passengers are traveling for business or pleasure they don't want to waste time running around picking up other passengers. SuperShuttle runs a good operation now but once they become a monopoly there will be no incentive to continue that same level of service. He said that at that point the Airport will want cabs but there won't be any available.

Mr. Franklin felt that the SuperShuttle situation is very similar to Japan's introduction of automobiles in this country. He explained that for about three years the Japanese sold their cars for less than it cost us to make them, until the American public was hooked. Now Japanese cars are the same price as American cars. The same thing is happening with this van proposal. The Airport is putting the cab drivers out of business and they won't be around when the Commission realizes that the shuttle service is not filling the Airport's needs.

Commissioner Bernstein asked Mr. Robert Richardson, Luxor Cab, if he wished to address the Commission.

Mr. Richardson said he was a union driver but was speaking on behalf of the leasee drivers at Luxor Cab Company. Later he would like to speak on behalf of the union drivers. He said the cab drivers in San Francisco are organizing, as are the drivers in Oakland and San Mateo County. They are trying to give service to people and there is money to be made if they give good service. He said that cabs are the cheapest form of transportation. Mr. Richardson said that a previous speaker had suggested that cab drivers should start paying people off. He did not feel that they should resort to solicitation and bribery; the drivers will not lower their standards to Super Shuttle's. He said he has been told by the hotel people that \$2.00 of the \$7.00 goes back to the hotel and he, himself, has seen this happen.

Mr. Richardson said that Airporter indicated today that a van service would create terrible traffic congestion. He felt it would be impossible to bring that many vehicles to the Airport and put them on the inside lane. He said that cabs, at one time, were on the inside lane and then were shoved to the outside lane. Now SuperShuttle wants to be on the inside lane and they want a concession booth as well, leaving nothing for cab drivers. He also said that their have been recommendations from Airport management to cut down the size of the lot but he argued that it has already been cut down.

Mr. Richardson told the Commission that there are occasions when five cabs are called out and sent down to United where 25 or more passengers are waiting for a cab. Those passengers are insisting that more transportation is needed. He said the cab drivers are there but they can't get in.

Mr. Richardson said that he also heard that the Airport is going to have odd and even cab numbers come into the Airport. He asked what will happen when more cabs are needed. Which cab company will be called? He said that the Airport isn't calling Luxor and he has confirmed with some of the other companies that they aren't being called either, and still other companies aren't being called because they don't have radios.

Mr. Richardson said that even the news media believes that Super-Shuttle already has its foot in the door at the Airport.

Mr. Franklin asked the Commission if it would sit down with the Police Commission to discuss the cab situation. He told the Commission that the Airport is now being perceived by cab drivers as the enemy.

Mr. Franklin quoted Mr. Lazar as saying that his company wants to play by the rules. He complained that he was almost run over by a SuperShuttle van traveling in reverse gear down Grant Street all the way to Montgomery Street and right through the intersection light. He said he had to jump out of his cab and run into a hotel. Mr. Franklin told the Commission that at a previous meeting he testified that SuperShuttle travels to the Airport at speeds in excess of 75 mph., but the Commission hasn't seen anything yet. He suggested that the Commission talk to cab drivers at the Airport and they will explain what's going on.

Commissioner Bernstein asked Mr. Steve Leonoudakis if he wished to address the Commission.

Mr. Leonoudakis said that this set of specifications will destroy what the Airport now has in the way of ground transportation. The Airport might as well forget about the cab business and the limousine business, but he asked that the Commission not forget about the fact that the City urged his company to build a terminal downtown. He said that his company spent \$1-million and committed to a long term lease. Under this set of specifications passengers will be motivated to use vans because the bus size is being reduced to six and moved to the outside curb. He reminded the Commission that when four 747's land at the same time and 600 people with overseas baggage must be moved, they are going to want a bus. However, six buses will not be able to serve all of those people and you can't expect those people to drag their luggage across a lane of traffic in order to reach the bus on the island.

Mr. Leonoudakis said he did not want the Commission to forget its promise that whoever succeeds to the ground transportation service will have to pick up the terminal, even if its a van service. He said he is out of business. When the new operator has the curb lane and solicits inside the building, the Commission might as well write the cabs off because there won't be anybody left; vans will take business right off the curb. Historically, that location was given to the big bus operator because he had the ability to provide the largest amount of service with the proper vehicle.

Mr. Leonoudakis cautioned that the specifications break the ground transportation service into two parts, Airport Motor Coach Agreement and Van Service. He felt that the argument will be made that whoever gets the Motor Coach Agreement will have to take the terminal. He asked what would happen if no one bid as a large bus operator because the rest of the business is being given away to vans. The big bus operator needs \$5-million worth of capital investment to have the right number of buses, a terminal and a 24-hour staff working under union contract. He said that the Airport won't be able to encourage anyone to come in. He again asked that the terminal not be left out of the specifications.

Mr. Leonoudakis concluded his remarks by saying that for 35 years the taxicab operators, the bus operators and the limousine operators have lived in real harmony at the Airport. For the last two years the vans have made a minor contribution and for two years he has complained about vans taking their market. They have consistently

been paying the Airport over \$2-million a year, vans have been paying nothing. He said that not only were they not pay anything, they broke all the rules, violated all the regulations and nothing was done to stop them. They were permitted to hustle the customers, work downstairs, put out literature, have tie-ins with airlines and do all the things that none of the other operators could do. If a cab driver solicits a customer, it's a \$300 fine and he's out of business. He argued that this document exacerbates the whole problem. He thought a document would be produced that would give everyone the opportunity to stay in business; leave the buses and cabs where they are, give the limousine service their share of the market, move the vans upstairs where they are manageable, or put the vans out as a separate bid package. He asked the Commission to try to visualize the vans attempting to move 300 people.

Mr. Leonoudakis said that this business depends upon traffic moving in both directions...there must be vehicles going to and from the Airport. SuperShuttle has decimated the market that starts in San Francisco and goes to the Airport. He urged the Commission not to allow this to go forward today without a traffic survey.

Commissioner Goosby said that one has been done but has not yet been released.

Mr. Leonoudakis again urged the Commission not to go forward with this and give the inside lane on the lower level to SuperShuttle, or any small vehicle operator.

Mr. Leonoudakis said that a transportation system is always designed for the optimum load and this system does not provide for that. He said that a lot of people will be left behind if this document goes forward.

Commissioner Goosby told Mr. Leonoudakis that this document is just preliminary.

Mr. Leonoudakis asked that these specifications not be sent out. He felt that, with all due respect to Mr. Turpen, it was a bad piece of staff work. He again urged the Commission not to approve it today.

Commissioner Bernstein asked Mr. Andrew Fenyes, of Associated Limousine, if he wished to address the Commission.

Mr. Fenyes showed the Commission a copy of a document that was presented to them on April 22, 1986 by Nancy Lenvin, attorney for SuperShuttle, which explained SuperShuttle's recommendation for a ground transportation system at the Airport. He said that the Director's Report follows Ms. Lenvin's recommendations almost all the way down the line so there can be little doubt as to who will benefit from staff's recommendation.

Mr. Fenyes said that in the little over a year that Associated Limousine has been operating at San Francisco Airport they have requested, on numerous occasions, a number of operational assistances from Airport staff in order for them to better provide their service to the Airport, and on most of those occasions they have been turned down. They recently asked Angela Gittens for a parking or stop-over facility in front of their desk so that their drivers can exchange information with their dispatchers. That request was denied, with the explanation that there is no available space to park in that area, even for the few minutes that it would take to exchange documentation. They were finally given a parking spot at the south and north ends of the terminal, requiring their drivers to walk long distances. He said it is interesting to him

that in this proposal there is room for vans to park downstairs in order to conduct their business. Mr. Fenyes said that these types of things have been going on since they began their operation. He hoped that the Commission will carefully consider who will benefit from this and what will happen to the existing operators at the Airport.

Commissioner Bernstein asked Mr. Ed Burke, Sunshine Cab Company, if he wished to address the Commission.

Mr. Burke told the Commission that his concern is the public interest and he did not feel that the public interest would be served by pushing vans at them. He said that taxicabs are a better ride and everybody knows it. When people share a cab they pay less, they have personalized service and business people can conduct their business in private. There should be equal access to customers but he felt that taxi drivers would suffer in this proposal. He said that cabs and buses are a generic form of transportation worldwide. Many people come to San Francisco to conduct their business and they want cabs. Mr. Burke said that most of the cab drivers are professional drivers whereas SuperShuttle advertises for artists and students and people who are barely 21 years old, with no experience, to apply for jobs as drivers. He asked the Commission to keep in mind that the public interest is more important than fat contracts where one or two people make a lot of money.

Commissioner Tsougarakis asked that staff hold a pre-bid conference on the van issue because the separation of vans from the Motor Coach Service Agreement is a new issue. She felt that this public testimony should be directed in a formal environment so that those issues can be pulled together into a proposal. She also asked that the Commission receive separate specifications on a Motor Coach Agreement.

Mr. Turpen said that since the van concept is a new one it would be appropriate for staff to sit down with the industry and discuss the van proposal and the merits and demerits of each criteria set forth. He said that the Airport Motor Coach Service Agreement has been the subject of numerous pre-bid conferences and public testimony and he suggested that staff return to the Commission with the specifications for the bid of the Airport Motor Coach Service Agreement, as amended. If the Commission agrees, staff will proceed.

Commissioner Tsougarakis asked that staff take a look at the possibility of opening it up, as opposed to an exclusive.

Mr. Turpen responded that the intent is not to offer an exclusive to any van operator. The intent is to have a location on the lower level for the successful bidder, with the remaining van operators continuing to operate on the upper level, as they always have. It is not an exclusive right to the Airport, it is a lower level access.

Commissioner Tsougarakis said she meant even a lower level access.

Commissioner Goosby asked what the figures would be if they operated on the upper level, even with the booths.

Commissioner Bernstein interrupted Commissioner Goosby and asked Mr. Richardson if he wished to address the Commission.

Mr. Richardson explained that previously he spoke on behalf of the Luxor Cab Company as a lessee. He said he is a union shop steward, Local 860. His President and Business Agent have just arrived and he asked that they be allowed to speak on behalf of the teamsters and asked that the teamsters representative be allowed to speak as well.

Commissioner Bernstein said he would let one of them speak.

Mr. Richardson said they wanted to address jobs in the Airporter industry that would be terminated.

Commissioner Bernstein said he understood the issue and the Commission was willing to listen to one speaker.

Mr. Becker, President of Teamsters Local 860, said his union represents Luxor Cab, DeSoto Cab and Airporter Bus. He said he believed that allowing the vans onto the lower level would do outrageous harm to their members as well as to the Airport and would hurt the economy of the City, through the cab industry.

Mr. Becker said that SFO Airporter has been doing an outstanding job and that they plan to expand their services throughout San Francisco. They are currently in negotiations with Airporter and will soon reach an agreement. He asked that the Commission not allow vans in the bid and not to bid a van contract.

Commissioner Bernstein asked Mr. Becker if he was referring to economic advantage or the advantage or disadvantage to the traveling public. He also asked Mr. Becker if he was qualified to talk about travel and location and what to do with taxies. He said he has been listening to "experts" testify all morning.

Mr. Becker believed that allowing vans on the lower level would create an economic hardship on taxies as well as the members he represents. He said that it would also add to congestion at the Airport.

Commissioner Bernstein said staff and the Commission will study this issue and do the best they can. If a mistake is made, it will be corrected.

Commissioner Tsougarakis said it was her understanding that the redistribution of curb space is based on an analysis which says that the upper level curb space is more utilized than the lower level.

Mr. Turpen said that was correct.

Commissioner Tsougarakis said that if it is verified again, she would go along with it.

Mr. Turpen said that if the Commission agrees, staff will proceed with the pre-bid conference on the van option and then return to the Commission with an integrated set of specifications on the Airport Motor Coach Service Agreement, probably within the next two to four weeks.

Commissioner Bernstein asked if the need for any of these changes could be substantiated.

Commissioner Goosby asked if the impact can be anticipated.

Mr. Turpen responded that there are probably five major modes of departure from the Airport by the general public, including private vehicles, rent-a-cars, taxies, the Airport Motor Coach and on-demand vans. Presently, ten percent of the people depart from the Airport by taxicab. That industry has grown over the past year, even in the face of the significant increase in van usage. He said that contentions that the bus operator is losing patronage to the van service is not borne out by the statistics. He said that it appears that the van operators are taking people out of private vehicles more

than they are from any other mode of transportation. He told the Commission that those statistics are available.

Mr. Turpen said that it is not the intention to impact any one segment of the ground transportation industry serving the Airport but the Airport does have an obligation to recognize what passengers want, to serve the passengers at the Airport, and minimize the impact upon any segment of the industry. He said that in the last several years there have been at least twelve lawsuits brought against the Airport by the ground transportation industry that he can think of during this period of "great cooperation." He said that although he understands the motivation for the testimony today, he also understands his obligation to present to the Commission, based on what staff forecasts as passenger needs, and make recommendations on that basis. Staff will be happy to conduct a pre-bid conference to discuss the van option and how it can be structured in a way that would be positive for passengers and still minimize the impact to other ground transportation operators.

Commissioner Bernstein asked that all of the facts, figures and reasons be made available to those individuals.

Mr. Turpen said that that information would be made a part of the pre-bid conference. If the Commission agreed he would schedule a pre-bid conference on the vans and then return to the Commission with the results.

Commissioner Stephens asked if after the pre-bid conference the Commission will have an idea as to whether or not more than one shuttle company is going to bid on the shuttle contract.

Mr. Turpen responded that it probably would.

Commissioner Bernstein insisted that no one would be eliminated because of size.

Mr. Turpen said it is not the intention to require anybody to have the requisite number of vans upon bidding. The recommendation of 25 vans is based upon a determination of headways which staff anticipates. If those headways change, the number of vans will change. He said it is not staff's intent to require anyone to buy vans in order to bid. He said that a period of time would be allowed after the opening of bids to secure the necessary vans. He anticipated large bus companies crossing over to vans. He urged that no one react to this as the final document.

Commissioner Goosby asked if, based on past history, there was any way to tell what impact this might have.

Mr. Turpen told Commissioner Goosby that it is very difficult to forecast what impact this would have on Airporter. He said that it appears that Airporter's fare probably contributes more to their ridership than any other factor thus far. He explained that Airporter has not lost ridership in the face of a significant increase in van ridership; they have lost very little ridership on an annualized basis. He said that Airporter's ridership has dropped dramatically from 1969 to date, long before any van operation.

Commissioner Goosby said that when the specifications are presented to the Commission, a statement should be made indicating the reasons for those recommendations. If the reason is financial, the shuttle rates can be raised to the Director's original recommendation. If the reason is to decrease congestion or to provide better service to the traveling public, that rationale should be explained so that the

public and the ground transportation industry can see how staff recommendations conform to the wishes of the Commission.

Commissioner Bernstein agreed with Commissioner Goosby. He said that if this is just a matter of getting more money, he is not interested. He wants to be assured that this will help the Airport, the traveling public and the ground transportation operators, who are trying to make a living.

Mr. Leonoudakis again asked the Commission to include the downtown terminal in the specifications.

Commissioner Bernstein asked Mr. Leonoudakis if he wanted to sell the terminal.

Mr. Leonoudakis said that he did. He told the Commission that he did not think anybody will bid. He felt he was entitled to have the terminal included in the specifications and that the successful bidder had a moral and legal obligation to take it over, and the sooner the better. He said he was out of this business.

Mr. Leonoudakis also said that the comments about Airporter's reduction in ridership being caused by fare increases was nonsense. He said that the loss of over 200,000 passengers his company has suffered is directly attributed to the SuperShuttle action.

Mr. Leonoudakis asked for a copy of the traffic report.

Commissioner Fleishell said he has listened to all the comments made today about SuperShuttle and that several years ago people were saying that everything was being done to please Mr. Leonoudakis. Now, comments are being made that everything is being done for Mr. Lazar and SuperShuttle. He said that the fact of the matter is that the Airport is trying to get the best information it can. He said that the public need must be addressed but that nothing will be done irrationally. He felt that the question of whether or not the terminal should be included is a legal issue that must be dealt with at the staff level.

Mr. Leonoudakis said that the documents were drafted so that the terminal would be the responsibility of a big bus operation, but in the event a big bus operator does not bid, does the Airport have an obligation to take the terminal? He said he asked Mr. Garibaldi that question and was told that the Airport does not have to buy it.

Mr. Turpen felt that matter should be discussed at the pre-bid conference.

Mr. Leonoudakis said that he felt he has been fair in the way he has served the Airport.

Commissioner Bernstein asked Mr. Turpen if he has started on the bids for the garage.

Mr. Turpen responded that he has.

Mr. Leonoudakis asked the Commission to make a motion to include the terminal.

Mr. Turpen said that this is not a matter to be staffed up at this meeting. He suggested that Mr. Leonoudakis attend the pre-bid conference on the vans and staff would be more than happy to accept any input he might like to provide at that time, or Mr. Green.

Mr. Turpen said that Item No. 1 is concluded and a notice regarding the pre-bid conference on the van operation will be sent to all interested parties.

* * *

F. ITEMS INITIATED BY COMMISSIONERS;

There were no items initiated by Commissioners.

* * *

G. PENDING LEGISLATION:

2 Report on State Legislation

Mr. Turpen said that there are four matters before the Commission which will come before the state legislature. Staff has provided a brief paragraph on each. If the Commission agrees with staff's comments, staff will proceed. If not, staff will take whatever direction the Commission would like to provide.

Commissioner Bernstein said he saw nothing wrong with it.

3. Prevailing Wage Ordinance

Commissioner Fleishell said that Mr. Turpen sent the Commission a note on the Eaves Bill indicating that he would bring it up at this meeting.

Mr. Turpen responded that he would address it now, if Commissioner Fleishell wished, but he had intended to bring it up later.

Mr. Turpen explained that there was an item calendared on the Prevailing Wage Ordinance before the Government Operations Committee. He said that it appears that there is a proposal to amend the Prevailing Wage Ordinance to read that any collective bargaining agreement should be determined to be the prevailing wage. He said that language is slightly different than the November amendment, which provided that all collective bargaining agreements be subject to the Prevailing Wage Ordinance. He said that the matter was put over to the call of the chair and staff will continue to monitor it.

Mr. Turpen said that Supervisor Walker's amendment to the Prevailing Wage Ordinance has been tabled and staff will continue to monitor that as well. There is a second amendment to the Prevailing Wage Ordinance that seems to have surfaced. The first one establishes as the Prevailing Wage anyone with a collective bargaining agreement. The second one, by Supervisor Walker, requires that the Prevailing Wage be established before the bid even went out, which would cause the Airport significant problems in its bidding process.

Commissioner Goosby asked if they were both on hold the Committee.

Mr. Turpen responded that they were and staff will continue to monitor them.

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was put over.

4. Resolution Awarding Lease of Shoeshine Stands in the South Terminal Building

Resolution awarding the Lease of Shoeshine Stands in the South Terminal Building to Shoeshine Unlimited.

The following items were unanimously adopted.

5. Resolution Regarding Human Rights Commission

Reaffirming resolution adopted at March 17, 1987 Airports Commisison meeting.

Mr. Turpen said that the Commission had requested this resolution. Staff listened to the tapes of the meeting and hopefully drafted the resolution consistent with the Commission's comments.

Commissioner Goosby asked if staff has had any preliminary discussions on this yet.

Mr. Turpen responded that he has had two discussions with Mr. Mickens and hoped to come to a resolution within 30 days. Staff is presently working on the Boarding Area 'E' language, which would require that bidders comply with the thrust of this agreement in terms of their minority and Human Rights approval...either prior approval or approval within 30 days of the bid opening.

Commissioner Goosby said he understood that the wording would be applicable to all future joint venture bids, not just Boarding Area 'E'.

Mr. Turpen said that was correct. This happens to be the first attempt at trying to put this amended language into effect.

Commissioner Fleishell said that Paragraph B, Page 2 refers to an amendment. The language presently reads that "...no amendment can be made to an approved joint venture partnership agreement without the written approval of the Airports Commission and Human Rights Commission." He said that when he was actively practicing law this language would have invited an easy violation. He suggested taking an option to purchase the man's interest for \$1.00 and give him \$10,000, then walk away. The agreement hasn't been amended but you have total control of the operation. He said that there are a number of ways it can be done. He asked Mr. Garibaldi to take a look at it and draft it so that it will more closely achieve continuing control.

Mr. Turpen said that staff will bring it back before the Commission.

The following item was unanimously adopted.

6. Declaration that 1940 Mack Fire Truck is Surplus and Authorizing Gift to St. Francis Hook and Ladder Society

No. 87-0069

Resolution declaring that certain 1940 Mack Fire Truck is surplus to the needs of the Airport and authorizing outright gift of this Fire Truck to the St. Francis Hook and Ladder Society for placement in the San Francisco Fire Department Museum, subject to the approval of the Board of Supervisors.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

7. Resolution Exercising Option and Establishing a New Rental Rate - Pan American World Airways, Inc., Plot 1-C

No. 87-0070

Resolution exercising the first option for Lease of Plot 1-C, Pan American World Airways, Inc., and establishing a new ground rental rate.

8. Type II Modification for Contract 1410EF, South Terminal Phase II

No. 87-0071

Contract modification to provide additional work for unforeseen conditions, deficiencies and new requirements in the plans and specifications. \$39,586.00

9. Sign Approval for Delta

No. 87-0072

Approving signage for Delta Cargo building and hanger (formerly Western Airlines).

10. Tenant Improvement:
Delta Airlines (T-3237)

No. 87-0073

Leasehold improvements in South Terminal Complex - \$267,342. No cost to the Airport.

11. Travel/Training for Airport Representatives

No. 87-0074

* * *

J. CORRESPONDENCE:

12. Art Commission Brochure

Mr. Turpen said that he transmitted a note to the Commission, with a copy of a letter from Claire Issacs, concerning the Arts Commission brochure. He said his note recommended that the Airport participate but because of the changing nature of our exhibition program, instead of being included in their brochure we simply provide an insert on a quarterly basis for inclusion in their brochure, along with permanent appropriate language referring to this insert. He said that Commissioner Tsougarakis has been working with the joint committee on this and asked if she had any additional comments.

Commissioner Tsougarakis said that recognizing the temporary nature of our exhibits, she felt the public would be confused if we tried to have two separate brochures, independent of each other, and that is why she made the proposal.

Mr. Turpen explained that historically the Arts Commission said that they wanted to include the Airport Exhibition Program in their brochure. Unfortunately, their exhibitions are permanent while our exhibitions are temporary. That is why it was suggested that a permanent reference be made in the brochure indicating that there is an insert listing the current Airport exhibitions. He explained that these quarterly updates will save the Arts Commission from re-doing their brochure each quarter.

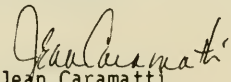
Commissioner Fleishell, recalling comments made on transportation, said that yesterday he received a letter from Handler, Baker, Green & Taylor, who were writing on behalf of Associated Limousines. He quoted one particular paragraph which read: "...you should know that we have previously filed a claim against the City for and on behalf of our client for prior breaches of this same lease agreement." He said that he was not aware of this. His last conversation was that we had to be most careful in dealing with this because we might have some difficulty down the line. He said that it appears that the difficulty is upon us.

Mr. Garibaldi said that they filed a claim on the same grounds that Airporter filed its claim, i.e., that the Airport is not enforcing its rules and regulations.

* * *

L. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 10:50 AM to go into closed session.


Jean Caramatti
Commission Secretary

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President

J. EDWARD FLEISHELL
Vice-President

DR. Z.L. GOOSBY
ATHENA TSOUGARAKIS
DON RICHARDS STEPHENS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

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of the Minutes
Airports Commission

May 19, 1987

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Minutes
of the
Airports Commission Meeting

May 19, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:04 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby
Athena Tsougarakis

Absent: J. Edward Fleishell, Vice President
Don Richards Stephens

* * *

C. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary, announced the unanimous adoption of resolution no. 87-0090 regarding the settlement of a litigated claim at the closed session of April 21, 1987.

* * *

D. SPECIAL ITEM:

D. Report on Marin Airporter, Airport Ground Transportation Association Operator of the Year

Marin Airporter has been named Operator of the Year by the Airport Ground Transportation Association. This report advises the Commission of this award to one of the bus services serving San Francisco International Airport.

Mr. Lou Turpen, Airport Director, told the Commission that Marin Airporter was named Outstanding Transit Operator of the Year by the Airport Ground Transportation Association, an national organization of operators who provide ground transportation services to airports. He said he was proud to have a company serving SFIA receive the award for 1986 after a nation-wide competition.

Mr. Turpen told the Commission that Marin Airporter is headed by Grace Hughes, President, who has done an excellent job since taking over the family business in 1984. In the Spring of 1985 she built a fully enclosed terminal in Larkspur, with parking for 200 cars, at a cost of about \$300,000. She initiated 1/2-hour service between Marin and the Airport in 1986, and, has seen the customer base increase from about 470 customers a day in 1984 to its current 900 a day, or about 25 percent of the originating Marin market. He said that she is tremendously innovative in her role as President of Marin Airporter. Ms. Hughes is currently working with the airlines to introduce through bag check-in on domestic flights, which will allow passengers to check their bags at the bus terminal and not be bothered with luggage for the remainder of the journey. She is also involved in a number of community issues and is very active in the transit industry. He said he wanted to bring to the Commission's attention the fact that we have a very progressive and aggressive member of the Airport ground transportation community who has been recognized for her efforts.

Mr. Turpen introduced Ms. Hughes.

Commissioner Tsougarakis asked that the record show that the Commission applauds the Marin Airporter organization for the fine work they have done.

Commissioner Goosby asked that a suitable plaque be given to Ms. Hughes.

* * *

E. DIRECTOR'S REPORTS:

2. Report on Garage

Report on rebidding an agreement for garage operations.

Mr. Turpen said that this report is in response to a question the Commission had on some of the alternatives available in managing the central parking garage.

Commissioner Bernstein asked Mr. Riddle if he wished to address the Commission.

Mr. Riddle declined.

Item No. 3 was unanimously adopted as amended.

3. Policy on Noise Mitigation Approach

The Board of Supervisors' Public Works Committee is conducting the third in a series of hearings on aircraft noise within the geographical limits of San Francisco. Chair Supervisor Maher has asked staff to present a series of mitigation options.

Mr. Turpen said that the matter before the Commission outlines a short, intermediate and long term program for continuing the

Airport's noise mitigation efforts. He said that all of the Airport's noise mitigation efforts have been folded in with a direction toward mitigating the recently surfaced problems of over-flights over San Francisco. He told the Commission that the Public Works Committee of the Board of Supervisors has requested that he appear before them on Thursday. They have asked him to present a game plan for noise mitigation. Staff has taken a look at the program already in place, consolidated it and developed an outline for the Commission's consideration and endorsement. He said he would like to tell the Committee that the Commission has seen the program and determined that it is consistent with the Commission's overall noise mitigation efforts.

Mr. Turpen said that the focal point of the effort is contained in Agenda Item 8, the Draft Noise Abatement Regulation. The resolution affirms that the matters laid out in the report are consistent with the Commission's overall noise mitigation plan. It also includes the new noise abatement regulation.

Commission Bernstein asked if the current noise regulation was working.

Mr. Turpen responded that it is.

Commissioner Bernstein asked what all the fuss is about.

Commissioner Goosby asked if the letter has already been sent to Supervisor Maher.

Mr. Turpen responded that it was sent at Supervisor Maher's request.

Commissioner Goosby said that the Airport has been involved in a most effective noise abatement program and is not doing this because of Supervisor Gonzalez or because the press has expressed an interest. He did not want it to appear that the Airport or the Commission has been derelict in their responsibilities to address problems some communities feel exist in the southern part of the City. He said that a program has been projected for the next several years and this is just the second stage. He did not want the Committee to think that the Commission is unaware of it.

Commissioner Tsougarakis said she agreed with both Commissioners with the exception of the intermediate term program to establish monitoring in San Francisco. She did not believe this to be a course the Airport had planned on taking. She said she would like to see a proposal come before the Commission to move ahead with it regardless of what comes out of the Board of Supervisors.

Mr. Turpen said that the only wrinkle in this program is the inclusion of noise monitoring. He said that noise monitoring is a continuing program. The basis of noise mitigation in the United States has been the government's requirement that aircraft become progressively quieter. That requirement went into place in January 1985 when noisier aircraft were no longer permitted at SFO. Having prohibited the Q707 from operating in San Francisco, the Commission is well aware that it is one of the noisier aircraft. He said that airplanes are becoming quieter by virtue of new noise standards at the Federal level. At the local level, the Airport tries to ensure that people on-Airport don't contribute noise to the environment. Staff also works with the airlines and the FAA to ensure that pilots operating aircraft at SFO are kept up to date with noise mitigation flight procedures so that departing aircraft use the most effective noise mitigation method, consistent with safety.

Mr. Turpen said that staff tries to evaluate the environment on a continuing basis through our monitoring system to determine if residents are being intruded upon by aircraft noise and exactly which aircraft was responsible. Each event is then investigated. In April 1981 the Commission established the Airport Community Roundtable which was designed to be the focal point for all noise mitigation efforts.

Commissioner Goosby asked if all of this information could be made a part of the resolution and if the Public Works Committee has been given this history.

Mr. Turpen responded that it has been given to the Committee in bits and pieces. He said he believed that in his prior appearance before the Committee there was a general misunderstanding of the efforts and the amount of money the Airport has spent on efforts to reduce noise. He reminded the Commission that since 1981 over \$5-million has been spent toward that end.

Commissioner Bernstein asked if anything was accomplished.

Mr. Turpen responded that in 1981 15,434 homes were impacted by noise according to the State. Quieter airplanes and a lot of management effort have brought that number to about 4,700. He said that San Francisco doesn't fall within the guidelines established by State law. He said that we are talking about single events and many of the reports are for aircraft sightings rather than aircraft noise intrusion.

Commissioner Goosby asked if SFO wasn't one of the first airports to work with the Federal government to insulate homes.

Mr. Turpen responded that SFO was the first.

Commissioner Goosby said he would like to see some of that information included in the resolution. He felt that the more we can educate the Committee and the public the better off we will be.

Commissioner Bernstein asked what Mr. Turpen meant when he said he reduced the number of impacted homes.

Mr. Turpen responded that according to State law a residence is determined to be noise impacted if the cumulative amount of noise impacting the home in any year equates to 65 decibels. He said it used to be 76 decibels and has gradually moved to 65. If there is any residential dwelling within a 65 decibel noise contour, that home is determined to be noise impacted. California airports have an objective of having no homes in the noise impact area. According to State law those homes must be counted on a quarterly basis and reported to the County and the State. We are obligated, under the variance, to do our best to reduce the number of impacted homes to the greatest extent possible. He said that it is important for the Commission to note that the City and County of San Francisco Board of Supervisors, the San Mateo Board of Supervisors and the technical portion of the industry (airlines, Airport, FAA) got together in 1977 and 1980 and worked on the Joint Powers Study. Two members of the Commission participated in that as well as members of the Board of Supervisors of both counties. As a result of that study the final report states that because of San Francisco International Airport's location and because of the number of homes which have been built around the Airport, the best mitigation that could be attained would be 7,500 homes; we are down to 4,600.

Mr. Turpen assured the Commission that everything is being done to try to mitigate noise. The airlines are cooperating and many have agreed not to fly aircraft during the nighttime hours, recognizing that those hours are particularly sensitive.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Bernstein said he met with the Chief of Police, and members of the Police Department and the Police Commission regarding some of the problems at the Airport. He said that they gave him names of experts in the field of traffic congestion. He asked the Commission to grant permission to interview and hire one of these consultants to solve the problem that exists at the Airport.

Commissioner Tsougarakis she was not willing to vote to hire someone at this time but was willing to go along with interviewing them.

Commissioner Goosby said that staff has done a tremendous amount of work in developing the background for the recommendations that have been made. If the majority of the Commission would like to have a consultant look at what staff has developed and charge the Airport \$5,000 to tell us that the system is fine, he would go along with it. But to throw staff's efforts out the window and hire a \$20,000 or \$30,000 transportation consultant who doesn't work for an airport and doesn't have the day-to-day experience our transportation people have is ridiculous. He said he would agree to interview consultants for the purpose of evaluating staff's proposal.

Commissioner Bernstein asked that this item be put over until a full Commission is present. He said he did not want to start setting prices at this point.

Mr. Turpen said the item will be calendared for the next meeting if the entire Commission is present.

* * *

G. PENDING LEGISLATION:

The following item was unanimously adopted.

4. Report on State Legislation

No. 87-0092

Commission consideration of
legislation pending before the State
Legislature.

Mr. Turpen explained that there are 15 pieces of legislation pending before the State Legislature dealing with underground tanks. The only issue the Commission needs to focus on is AB1414, which will give San Francisco International Airport jurisdiction over its underground tank program. Staff is presently attempting to work with San Mateo County in developing a series of equitable protocols which would allow San Francisco International to continue its long established practice of managing the Airport and working with those persons under contract with the Airport. In the event that effort fails he felt it important that the Commission restate the importance

of the Airport retaining jurisdiction over its own property, tenants and matters that occur within the Airport boundaries. The resolution before the Commission supports AB 1414.

Commissioner Goosby asked if the Commission hasn't already endorsed that legislation.

Mr. Turpen responded that the Commission has agreed to pursue it but he does not believe that the Commission ever endorsed it. He felt the Commission's endorsement was important as the legislation is currently on hold, with a promise from the Speaker to move forward with it, if necessary.

Commissioner Goosby said he was under the impression that it was a dead issue.

Mr. Turpen responded that that is not true.

Commissioner Tsougarakis understood that the Speaker received incorrect information from San Mateo County that an agreement was reached.

Mr. Dennis Bouey, Deputy Director of Facilities Operations and Maintenance, responded that a Supervisor from San Mateo contacted Willie Brown by phone and assured him that there was a signed agreement between the Airport and San Mateo County and that she would forward documentation. When she forwarded that documentation to the Speaker she did not provide him with a signed agreement because one does not exist. Further, she furnished him with a set of protocols which the Airport had formally rejected. Jackie Speier has agreed, at the Speaker's request, to act as a middle person between the Airport and San Mateo in one last attempt to reach an agreement, something the Airport would very much like to do. He said that he and Mr. Turpen have already met with Supervisor Speier. In the meantime staff will be briefing key members of the legislature in the event this bill comes off hold.

Commissioner Bernstein asked what the objection was in San Mateo taking it over.

Mr. Turpen responded that it would be the same objection Commissioner Bernstein would have if someone walked into his business and told him he had no further involvement in his own property, his own business and his own tenants. He said it's not good business and it doesn't make sense.

Commissioner Bernstein said he understood.

Mr. Turpen said that the Airport does not mind sharing and working through their system. He said there was a jurisdictional problem between the San Mateo Sheriff's Office and the Airport Police for many years. It took a long time and a lot of hard work on both sides to get that resolved. We now work through the Sheriff's system and have an excellent law enforcement effort on the Peninsula. We believe we can do the same thing here. Up to this point, any suggestions made by the Airport which would give the Airport authority over this program, working through the county, have been rejected. The county has responded that they are in charge and the Airport has no involvement. He said you can't have a piece of property consisting of 2200 acres with a daily population of 250,000 people, 250-300 businesses and 1,400 airplanes landing and taking off every day and manage it with five or six cooks in the kitchen.

* * *

H. POLICY:

Items 5 and 6 were called together. Item 5 was unanimously adopted and Item 6 was unanimously adopted as amended.

5. Policy for Approval of Rental Credits and Construction Reimbursements

No. 87-0093 Resolution (1) requiring Commission approval for rental credits and construction reimbursements in excess of \$5,000, and, (2) authorizing the Director to issue rental credits and construction reimbursements of \$5,000 or less.

6. Settlement of Claims of \$5,000 or Less

No. 87-0094 Resolution authorizing the settlement of claims of \$5,000 or less without prior Commission approval.

Commissioner Goosby expressed some concerns in eliminating the Commission in this procedure.

Mr. Turpen said that the Commission can be given quarterly updates.

Item 7 was unanimously adopted.

7. Equipment Substitutions in the Budget

No. 87-0095 Resolution authorizing staff to make equipment substitutions within the limit of the Airport's approved Budget.

* * *

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

No vote was required for Item No. 8

8. Draft Noise Abatement Regulation - Extension of Airports Commission Resolution 78-0131

Draft Noise Abatement Regulation which supercedes Resolution 78-0131, the current Noise Abatement Regulation. The Regulation continues the intent of Resolution 78-0131 to provide for a continued reduction of Community Noise Equivalent Levels (CNELs) at San Francisco International Airport.

Mr. Turpen told the Commission that this item simply opens for public comment the Commission's proposed noise regulation, which would supercede its current regulation. Copies of this regulation will be

sent to the airlines, the FAA, the Air Transport Association, and members of the Roundtable so that they can offer input to the Commission. There will be a 60-day comment period which will start June 1 and run to August 1, 1987. Those comments will be shared with the Commission. Staff will then prepare an amended regulation based on the input received. He said that this regulation will continue to reduce noise from the Airport by requiring progressive replacement of noisier aircraft with quieter aircraft. This regulation is consistent with the regulation adopted in 1978.

Mr. Turpen again told the Commission that no vote was required and that on June 1 a period of public comment will be open.

The following items were unanimously adopted.

9. Request for Controller to Perform Appraisal Audit of Tenant's Properties

No. 87-0096

Resolution requesting the Controller's Office to prepare an audit opinion regarding costs related to the value of the SFO Airporter downtown terminal.

Commissioner Tsougarakis asked if the Controller has been approached on this.

Ms. Gittens responded that the Controller has been approached and is looking at it. She said he has not agreed to do it as he is concerned about having the necessary staff and expertise. The Controller will have to shift around other Airport audits that were scheduled in order to get this done.

Commissioner Goosby said that the Controller should have been asked to do this in the first place.

Mr. Turpen said that in 1985 the Airport went through a significant number of hours of public hearings on the Airport Motor Coach Service Agreement, the downtown terminal being a major part of it. At that time it was determined by the Commission that the downtown terminal would be included if Mr. Leonoudakis met a couple of requirements, one being that he provide copies of his tax returns. Based on receipt of that information an amortization schedule was established and included as part of the bid package. There has been some suggestion that that amortization schedule is not as accurate as it could be and this would be an opportunity for the Commission to verify that information.

10. SFO Shuttle Bus Service Agreement No. 68252
Modification No. 4

No. 87-0097

Resolution approving SFO Shuttle Bus Service hourly rate adjustment, reflecting periodic cost increases during calendar years 1985 and 1986 and a new Union Agreement effective January 1, 1987. Includes balancing payments for calendar years 1985 and 1986, and retroactive 1987 payment for the period January 1, 1987 through March 31, 1987.

Mr. Turpen told the Commission that this is modification no. 4. As a result of specific language in the contract the hourly rate has been modified on three other occasions. He explained that this is like a cost of living increase.

Commissioner Goosby asked why these costs are passed on to the Airport. The operator has no incentive to hold the line on wages. People who bid on concessions must run their operations efficiently in order to make a profit yet this operator is guaranteed a profit by passing on their expenses to the Airport.

Mr. Sheldon Fein, Landside Operations, explained that this contract was bid in 1983 and the various bus companies put in a base bid which included their insurance, labor costs, fuel, and cost of purchasing equipment. All that equipment and service was bid on. The operator can then make adjustments from above the bid price based on the change of cost in fuel.

Commissioner Goosby asked if the bidders knew that option existed when they bid.

Mr. Fein said that was correct. The operator is allowed a differential for the cost of fuel over a period of time and for the cost of wages and fringe benefits. According to the contract, the wages and fringe benefits of the companies had to be tied in with the union agreements the five on-Airport rental car companies have with their bus operation. It was determined that the size of the bus and the type of work the drivers do for the shuttle bus is similar to that of the rental car buses that circulate the Airport. Staff has reviewed the different union contracts and the fringe benefits and the costs come out to be the average of what Avis, Hertz, National, Dollar and the on-Airport companies provide to their drivers. It isn't that the company can permit any type of rate increase, it's only the differential in the same ratio as the others that have been allowed. He said that there is an adjustment for insurance as well, explaining that insurance has gone up dramatically in the last couple of years. The company had to demonstrate to the Airport that these were the best insurance rates they could get. He said that staff reviews them and has asked the City's audit office to do an audit. He said that the profit margin was fixed so even though the costs go up the company does not get any pass through on any of the services. He said that in 1981 the same shuttle operation cost the Airport 67¢ per passenger; the current cost to the Airport is 57¢ per passenger. He told the Commission that this contract provided the Airport with larger equipment and reduced the cost per passenger by about 20-25 percent over the last five years.

11. Resolution Approving Design Review and Refurbishment of Duty Free Shoppers, N.V. Facility

No. 87-0098

Resolution approving the Design Review and authorizing the International Terminal Principal Concessionaire, Duty Free Shoppers, to refurbish one of the premises as partial satisfaction of the mid-term refurbishment requirement.

12. Resolutions Amending Leases for Host International and United Airlines, an Approval of Schematic Design

No. 87-0099	Resolution amending leases for Host
No. 87-0100	International and United Airlines for
No. 87-0101	the development of the Royal Pacific
	Lounge, and approving the schematic
	design of said facility.

13. Resolution Approving Modification No. 23 to Contract 1410ABCD, South Terminal Renovation, Phase I

No. 87-0103	Final price adjustment for aircraft
	apron work including final quantities
	of asphalt removal, excavation, and
	paving. Adjustment also includes
	mobilization of equipment as provided
	in contract. Total Cost: \$155,000

14. Termination of Aeroplex North Terminal Newsstand Lease and Approval of Month-to-Month Permit for Modified Continuation of Operations

No. 87-0104	Resolution authorizing the termination
	of the Aeroplex North Terminal
	Newsstand Lease and approving a month-
	to-month permit for a modified
	continuation of operations.

Ms. Gittens explained that in August, 1986 the Commission approved a month-to-month hold-over of two leases, Aeroplex and Elson's, so that the Airport could bid out Boarding Area 'E' as one package and delay construction of the boarding area lease spaces involved until after the holidays. She said that staff did not want the leases to be up in September and October and then have the spaces under construction during the holiday period, so they were extended through January 31, 1987. The bids for Boarding Area 'E' were opened December 5, 1986 so had all gone relatively smoothly we would have been ready for a new operator to start construction after the holidays and the spaces would be open now. She said that none of that happened and the bids went out in the mail yesterday.

Commissioner Goosby asked if the bids had gone out with the approved HRC stipulations. He said that HRC was supposed to develop some guidelines.

Ms. Gittens responded that they didn't. She said that she met with the HRC yesterday and they claimed that they have come up with a joint venture example. She said she has not seen it but the HRC City Attorney is reviewing it and she should have it in a couple of days.

Ms. Gittens said she will send it out when she receives it but she did not want to hold up the bids any longer waiting for HRC.

Ms. Gittens said that the other issue is that was to be a requirement that bid preference determinations be provided within 30-days of the bid opening. She said HRC was uncomfortable with making an actual requirement of the bid process but they have committed to the Airport that they will get the determinations done within 30-days.

Ms. Gittens, returning to the issue, said that the Airport felt

comfortable about keeping the hold-over on the same terms and conditions at the time because the tenant had what appeared to be a reasonably secure date of the end of January.

15. Resolution Approving Change Order No. 3 to Contract 1013R - Computerized Parking Control System

No. 87-0102

1. Integrate Garage Level 5 exits (3 each) into the installed CPCS;
2. Install a CCTV Security System at each exit booth of Lot 'D' and the garage;
3. Provide and install two (2) additional high speed printers with tables;
4. Provide and install one (1) additional CRT and keyboard;
5. Provide and install Entry and exit test bed equipment;
6. Program and provide two (2) additional statistical reports.

Mr. Turpen said that utilization of the garage is increasing so garage revenues are increasing. Approximately 5-million vehicles used the garage in the last year, which reduced the number of private vehicles circling the roadway. He said that it is important to accommodate our customers and not discourage patronage of the garage by making it a difficult alternative. He felt that the additional exits will pay for themselves very quickly.

16. Airport Improvement Program (A.I.P. No. 8)

No. 87-0105

Resolution approving Project Application for A.I.P. Fund of \$17.8-million and requesting the Board of Supervisors to authorize filling of Project Application and acceptance of the resulting grant offer.

* * *

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

17. Declaration of Emergency:

Repair Broken Water Main - Airfield Between South and International Terminals - Not-to-Exceed \$55,000

No. 87-0106

18. Resolution Approving Design Review of Foreign Exchange Signage for Bank of America

No. 87-0107

Resolution approving the design review and authorizing Bank of America to

install new signage within their
Foreign Exchange premises.

19. Travel/Training for Airport Representatives

No. 87-0108

* * *


K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

M. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:58 AM to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

APRIL 21, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

DON RICHARDS STEPHENS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

April 21, 1987

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Minutes
of the
Airports Commission Meeting

April 21, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

Morris Bernstein, President
J. Edward Fleishell, Vice President
Z.L. Goosby
Athena Tsougarakis

Don Richards Stephens arrived at 9:09 AM

Morris Bernstein left the meeting at 9:50 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 17, 1987 were adopted by order of the Commission President.

No. 87-0077

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 87-0076 directing the Director to modify the contract with the law firm of Liebert Cassidy and Frierson for an additional \$50,000 at the closed session of April 7, 1987.

* * *

E. SPECIAL ITEM:

Items 1 and 2 were called together and unanimously adopted.

1. Commendation of Police Officer Burnor

No. 87-0078

Resolution commending the heroic actions of San Francisco International Airport Police Officer Lawrence Burnor in rescuing an unconscious man from his burning vehicle.

2. Commendation for Sam Kennedy

No. 87-0079

Resolution commending the heroic actions of Dollar Rent-A-Car employee Sam Kennedy in assisting Airport Police Officer Burnor in rescuing an unconscious man from his burning vehicle.

Mr. Turpen told the Commission that Officer Burnor and Mr. Sam Kennedy exhibited extreme courage in the face of obvious danger to themselves in rescuing a man from a burning vehicle. In spite of the danger, Officer Burnor and Mr. Kennedy managed to rescue the unconscious man by using a fire extinguisher to break a window, unlock the door and pull the man from his burning vehicle. He said that their actions are a credit to their respective organizations ...Officer Burnor to the San Francisco Airport Police and the Airports Commission, and, Mr. Kennedy to Dollar Rent-A-Car. He commended both men for their outstanding bravery and sacrifice.

Commissioner Bernstein said that both men should be commended and should go down in the annals of the Airport for their wonderful act of bravery. He expressed his pride in both men and thanked them.

Commissioner Fleishell also commended both men.

Commissioner Tsougarakis shook their hands.

Officer Burnor thanked the Commission for its recognition and told them that he was simply doing his job.

Mr. Kennedy also thanked the Commission for its recognition and said he was grateful that he was there to help.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following item was unanimously adopted as amended.

3. Authorization to Open the Pre-Qualification Process and Receive Bids

for the Airport Motor Coach Service Agreement

No. 87-0080

Resolution approving Agreement specifications and authorizing Director to open the pre-qualification process and receive bids for the Airport Motor Coach Service Agreement.

Commissioner Bernstein told the audience that each speaker will be limited to three (3) minutes. He asked that comments of previous speakers not be repeated.

Commissioner Bernstein asked Mr. Ed Burke, Sunshine Cab Company, if he wished to address the Commission.

Mr. Turpen reminded the audience that the item before the Commission is an authorization to open the pre-qualification process for the Airport Motor Coach Service Agreement and that is the matter to which their comments should be addressed.

Mr. Burke said he was very concerned about the impact vans will have on the taxi industry when they are placed downstairs if they have given it any consideration. He asked what the Commission will do to help cab drivers keep their business.

Commissioner Goosby told Mr. Burke that this item referred to buses, not vans.

Mr. Burke asked when the Commission will discuss vans.

Mr. Turpen responded that staff has not yet held a pre-bid conference on vans but thought it would take place within the next four to six weeks. Comments from the pre-bid conference will then be submitted to the Commission. He said that staff and the Commission are not even close to finalizing a decision on the vans. He said that the item currently before the Commission refers only to the Airport Motor Coach Service Agreement. There will be public notice on the pre-bid conference for vans. He asked Mr. Burke to leave his name with Sheldon Fein or someone else on staff so that he can be personally notified when that pre-bid conference is scheduled.

Commissioner Bernstein asked Mr. Levicky, Yellow Cab Company, if he wished to address the Commission.

Mr. Levicky said he wanted to address the same issue as the previous speaker. He told the Commission that he was very concerned about the effect SuperShuttle and the other van companies were having on the taxi industry as they are seriously jeopardizing the livelihood of cab drivers. He said he would like to participate in the next hearing on this issue.

Mr. Turpen told the audience that anyone wanting to participate in the pre-bid conference on vans should contact Landside Operations. He said that Mr. Fein is present and will be happy to provide information on when the pre-bid conference will take place.

Commissioner Bernstein asked Mr. George England, Luxor Cab Company, if he wished to address the Commission.

Mr. England said he felt very threatened about the changes going on at the Airport.

Commissioner Goosby reminded Mr. England that this item referred to the buses only.

Mr. England said he understood. He said he felt that the change being brought about was due to "unregulation" rather than "deregulation". He said that relocating the buses away from the terminal to the island is going to create additional traffic and will seriously impact the cab companies. It will not serve public convenience to move the buses further away from the terminals and will create a more confusing situation as buses and taxis will be picking up and dropping off at the same location.

Mr. England said that SuperShuttle is operating in the same fashion as taxi companies except they are working with an exclusive trade, people going to and from the Airport. The difference between cabs and vans is that the cabs provide service to the wheelchair bound, and to elderly passengers in walkers, taking them to and from the grocery store or wherever they want to go, 24-hours-a-day, door-to-door. Public convenience will not be served by moving the buses further away from the terminal. He felt that they all should be regulated, not just one.

Commissioner Bernstein asked Mr. Bill Reardon if he wished to address the Commission.

Mr. Reardon said he had the same concerns as the previous speakers but this meeting was not the proper forum to discuss this issue. He said he will reserve his comments until the appropriate time.

Commissioner Bernstein thanked Mr. Reardon. He asked Mr. Jeff Leonoudakis, SFO Airporter, if he wished to address the Commission.

Mr. Leonoudakis said that the specifications, as presently written, are unfair. The Commission is reducing service, cutting headways from the current level of every 15-minutes to every 30-minutes, and the bus zones are being moved from curbside to the island. He felt this was a disservice to the public. He did not see a need to reduce service during a time when the Airport is growing and needs more service. His company also felt it was unfair that the specifications for the van agreement are going to allow the vans to load at curbside. He said that the new bus operator will feel a tremendous impact, as will the limousine operator, the cabs, and the other van operators who currently operate upstairs. He asked the Commission to reconsider the new specifications for the Motor Coach Agreement.

Mr. Leonoudakis also told the Commission that his company was very concerned about the status of the downtown terminal. He asked the Commission what will become of the terminal if there are no viable bus bidders. He asked if Airporter was supposed to assume that financial obligation.

Mr. Turpen responded that the Airport would expect that there will be viable bidders. In the event there are no bidders, the Commission will cross that bridge at that point. He said that staff does not forecast a failure to respond to a service which carried almost one-million passengers last year.

Mr. Leonoudakis said that his company then has no guarantees.

Mr. Turpen responded that that is not what he said. He said that staff expected bidders for this agreement and in that event, the agreement between Leaseco and SFO Airporter and the Airports Commission concerning the downtown terminal will prevail.

Mr. Leonoudakis said that SFO Airporter would like to be on record that they would expect the terminal to be assumed in the event that there are no bidders for this contract. He said that the way these

specifications are going out it's very possible that there will be no qualified bidders.

Commissioner Bernstein asked Mr. Hal Muskat, SuperShuttle, to address the Commission.

Mr. Muskat said he did not wish to speak at this time.

Commissioner Bernstein said he had no other requests to address the Commission.

Mr. Turpen said that the item before the Commission is an authorization to open the pre-qualification process for the Airport Motor Coach Service Agreement. He said that a substantial period of time has passed since the last pre-qualification of potential bidders for this agreement. The Commission's authorization will allow staff to initiate a process whereby persons wanting to bid on this agreement will be asked to provide certain information to the Airport so that it can be evaluated and shared with the Commission.

Commissioner Goosby asked how many people were involved in the last pre-qualification process.

Mr. Turpen responded that there were five. He explained that this is a processing step, prior to bidding, which establishes a pool of qualified bidders. Upon completion of that process staff will provide the Commission with a list of those persons who have successfully passed the screening requirements. He thought it would take six to eight weeks to obtain a pool of applicant. He stressed that this does not entail a bid, it is simply a screening of potential bidders to ensure that everyone who bids can meet the specifications. He asked the Commission to support his recommendation and allow staff to move ahead with the process.

Commissioner Bernstein said he will not vote on anything until he knows the entire package. He will not vote on pieces.

Commissioner Goosby said the Commission will have the opportunity to look at it again when staff returns with a list of qualified bidders for approval. It will not go to bid unless the Commission has approved that list.

Commissioner Bernstein asked when the vans will be bid.

Mr. Turpen responded that a pre-bid conference for vans will be held and will take four to six weeks before the Commission will receive those comments.

Commissioner Bernstein asked if the Commission will vote on pieces or the whole thing.

Mr. Turpen responded that at this point the only thing the Commission will be approving is the list of potential bidders who have met the qualifications.

Commissioner Bernstein said he would vote on it in that case.

Commissioner Bernstein asked Mr. Richmond Loewinsohn, United Taxi Workers, if he wished to address the Commission.

Mr. Turpen again told the audience that the matter before the Commission is the Airport Motor Coach Service Agreement. Those persons interested in the vans should contact Sheldon Fein to assure notification of the pre-bid conference. He explained that the

pre-bid conference is an informal forum where interested parties can offer suggestions and share thoughts. The pre-bid conference for vans will be coming up within the next 30 days.

Mr. Loewinsohn said that vans are not being fined \$300 but cab drivers are. He said that it is common knowledge that one must have an appointment to ride a van.

Commissioner Bernstein asked Mr. Tony Ruiz, Lorries, if he wished to address the Commission.

Mr. Ruiz said he shared the Commission's sentiments. He felt this was a divide and conquer issue with the Airporter contract is being pushed aside. He said that there will be a preliminary discussion on the buses, they will be pre-qualified and then bid. The vans will then be discussed and there will be a bid on that.

Commissioner Bernstein said that this is just to establish a pool of potential bidders.

Mr. Turpen explained that once a qualified pool is established the Commission will have to grant authorization to bid. The Commission can either give its authorization, refuse authorization, or instruct staff to restructure the manner in which it is bid. He said that the van bid will run simultaneously. It will take four to six weeks to conduct a pre-authorization on the buses and the pre-bid conference for the vans will be held within three to five weeks. The pre-authorization on the buses and the results of the van pre-bid conference will probably come up simultaneously.

Mr. Ruiz felt that the two should be handled together.

Commissioner Bernstein told Mr. Ruiz that they will not be handled that way.

Commissioner Bernstein asked Mr. John Diamante if he wished to address the Commission.

Mr. Diamante, speaking for a number of drivers in the Taxi Drivers Alliance, said they are very upset by this proposal. By favoring the vans the Commission will re-shape the taxi industry in the entire City, not just at the Airport.

Commissioner Tsougarakis told Mr. Diamante that the Commission is not discussing vans.

Commissioner Goosby said the Commission is discussing an authorization to pre-qualify potential bidders for the Airport Motor Coach Service Agreement, not the vans.

Mr. Diamante said that he was addressing the specifications for pick-up and notification, in particular the suggestion for the posting of signs in the Airport. He said the specifications call for notification to arriving passengers at the baggage carousel levels. Members of the Taxi Cab Alliance have been negotiating with staff for a couple of years to provide notification to passengers that the cheapest, fastest and safest mode of transportation to the City is a shared cab ride.

Commissioner Fleishell told Mr. Diamante that the issue he is discussing is not before the Commission. The fact that he has been unable to successfully negotiate with staff to get his signs up has nothing to do with the proposed provisions with regard to the Airport Motor Coach Agreement.

Mr. Diamante said that the specifications spell out in two places conditions for advertisements for ground services to passengers which directly competes with the taxi industry. He said that the pick up points also directly compete with these specifications.

Commissioner Bernstein again said that this item merely establishes a pool of bidders.

Mr. Diamante argued that the specifications for the pool of bidders shuts out the taxi industry.

Commissioner Bernstein told Mr. Diamante that taxis were not being discussed.

Commissioner Bernstein asked Mr. Bob Franklin if he wished to address the Commission.

Mr. Franklin declined to speak.

Commissioner Goosby said that part of the confusion is that the resolution also authorizes the bid but this is just supposed to be a pre-qualification for a pool of bidders.

Mr. Turpen said that is correct.

Commissioner Goosby asked that the last resolve in the resolution be eliminated.

Mr. Turpen assured the Commission that it will not be bid without Commission approval.

The following items were unanimously adopted by the Commission. Commissioner Bernstein left the meeting during the discussion of Item No. 4.

4. Resolution Awarding Lease of Shoeshine Stands in the South Terminal Building

No. 87-0081

Resolution awarding the Lease of Shoeshine in the South Terminal Building to Shoeshine Unlimited.

Mr. Turpen said that this matter was put over at the last meeting at the request of Mr. Walter Caplan who is associated with A Step Up. He recommended Commission approval as written. He said that it was his understanding that Mr. Caplan handed the Commission a letter (see attached) outlining his concerns. Mr. Turpen said he asked George Wong, Acting Airports General Counsel, to review that letter.

Mr. Wong told the Commission that he has reviewed A Step Up's letter protesting award to Shoeshine Unlimited and he finds that it has no merit. The protest is based on three items which Mr. Caplan believes the Shoeshine Unlimited bid does not contain: 1) No financial statement was submitted with the bid for two of the partners. Mr. Wong said he spoke with Jerry Copelan, Property Management, who told him that those financial statements have been submitted. 2) No listing of gross income receipts were submitted for the years from 1982 through 1986. Again, those income receipts have been submitted.

Mr. Wong said that those items do not make the bid invalid. He explained that there are two aspects to the bidding process, the responsiveness of the bid and the responsibility of the bidder. The

two items Mr. Caplan mentioned deal with the responsibility of the bidder, namely whether or not he can do the job, and whether or not he has enough capital and enough experience; it is not the responsiveness of the bid. Items regarding the responsiveness of the bid must be submitted with the bid. These do not deal with responsiveness therefore the items can be received and considered by staff after the bid opening.

Mr. Wong said that the second item Mr. Caplan alluded to is that the partnership has not been registered with the County Clerk. Mr. Wong explained that there is no requirement in the bid process, or any requirement in State law, that a partnership must be registered with the County Clerk before a bid can be received. Mr. Wong said that Mr. Copelan informed him that since submitting the bid Shoeshine Unlimited has become a corporation. He said he finds nothing wrong with that. The same individuals formed the partnership and the corporation and it is the same individuals who will be bound by the contract should it be awarded to the entity.

Commissioner Fleishell asked Mr. Wong if he was saying that one entity can bid and after winning the bid can change from a partnership to a corporation, thereby changing the formation of the company.

Mr. Wong said that there was nothing wrong with that in the sense that if staff believes it's the same entity with the same responsibility, it's not a problem. It's frequently done after award of a contract.

Commissioner Fleishell said he has never heard of this before. A partnership has individual liability, a corporation does not.

Mr. Wong said that that may be the case but the larger question is whether that partnership or corporation can perform the contract. He said that a performance bond is submitted with the bid.

Commissioner Fleishell said that he was satisfied if Mr. Wong was satisfied.

Commissioner Bernstein asked Mrs. Viola Washington if she wished to address the Commission.

Mrs. Washington said that there was a lot of controversy over a bid that she and her son, Clarence, submitted for the International Terminal Shoeshine Stand. They were asked to submit the performance bond and the certificate of deposit but in the interim Mr. Copelan said that they couldn't have the lease because these attachments were missing from their bid. She said that these items were missing from the South Terminal bid submission as well but it was held over for three months. She said she wasn't even given three days. They were the only bidders for that lease and she and her son were still interested in obtaining the International Terminal Shoeshine Stand. Mrs. Washington asked if they could take possession of the stand in the future.

Ms. Angela Gittens, Deputy Director, Business and Finance, said that this item came before the Commission two meetings ago. She explained that there was no bid bond submitted with the bid, so it was not merely a matter of changing the formation of the bidding entity, there was no bid bond. She said that it was two weeks from the date of the bid opening to the time staff came to the Commission and no bid bond had ever been submitted. The Commission rejected all bids.

Commissioner Goosby said that Mrs. Washington and her son would then have the opportunity to bid again.

Mr. Turpen told Mrs. Washington that if she left her name and number with Ms. Gittens she would be notified of the next bid process.

Mr. Walter Caplan, A Step Up, said that he found out late yesterday afternoon that staff still does not have adequate information upon which to recommend approval of this lease. He said that he has been before the Commission on two prior occasions regarding two prior bids for this lease. He complained that over an 18-month period the staff has not been able to submit to the Commission a recommendation for approval of a responsible qualified bidder. He said that he first raised this issue with the first bid and all of the bids were thrown out. He again raised the same issue of whether or not the top bidder was a responsible qualified bidder. At that time staff had not told the Commission that the highest bidder was in arrears on other rents at the Airport. With respect to the bid before the Commission today, Shoeshine Unlimited submitted a bid in late February claiming they were a partnership. The purpose of a partnership being registered with the County Clerk is to know who the partners are and liability. Shoeshine Unlimited never registered a partnership. Corporate documents were sent to Sacramento a month later and were rejected. He said that Airport staff does not have information about this corporation, such as whether it issued shares, how many shares, or, to whom the shares were issued.

Commissioner Bernstein interrupted Mr. Caplan and told him that he just heard Mr. Wong offer his opinion.

Mr. Caplan said he does not believe that Mr. Wong is aware of all of the issues he is presenting to the Commission.

Commissioner Bernstein said that Mr. Wong indicated that these items are not necessary.

Mr. Caplan said that he disagreed with Mr. Wong.

Commissioner Goosby told Mr. Caplan that he is free to give his opinion and the Commission will listen to it but the Commission will vote today.

Mr. Caplan said that the issue is that staff does not have in its files, as is required by the bid documents, information about a partnership or information about a corporation. He said he gave the Commission a copy of the bid documents which requires that corporations must provide the number of shares owned by the Directors and the officers, and, if partners own more than 10 percent. To date, the Airport does not have that information. He said that his client, who has spent \$5000 of his money and has been working on this for two years, still has not had the opportunity to get a lease. He believes that these people have not demonstrated to the staff that they are responsible qualified bidders. The bid documents that complete the application and give staff the basis upon which to recommend approval do not exist in the files.

Commissioner Bernstein told Mr. Caplan that the Commission is bound to accept the advice of the City Attorney. The City Attorney states that it is not necessary to have that information so it is not enough to disqualify the bid.

Mr. Caplan said that is not exactly what Mr. Wong said.

Commissioner Goosby told Mr. Caplan that the Commission was not going to argue with him.

Mr. Wong said that the bid opening was on February 25, 1987 and

Mr. Caplan waited two months to present the Commission with a protest letter. He said he finds this very disturbing.

Mr. Caplan said he has a right, on behalf of his client, to present any impropriety to the Commission. He said that the Commission does not have adequate information to make a decision.

Commissioner Stephens asked Mr. Caplan if he was a principle in this company.

Mr. Caplan responded that he is a minority partner in this venture.

Commissioner Stephens recalled that Mr. Caplan had earlier stated that the bidder was going to work this job with his own hands and asked if that meant him.

Mr. Caplan responded that he was referring to the majority partner, Mr. Jones. He said that he originally became an assistant in this bid process because the first two times it was bid there was a requirement that the bidding entity be able to show that over the prior three years they have run a business of over a certain amount of gross receipts. He said that in order to help Mr. Jones get into this business he offered to join hands. He said that it was never his intention to run a shoeshine stand.

Mr. Williams said that his clients, Shoeshine Unlimited, have put their money on the line and they are prepared to increase the deposit required to meet the bid performance. He said it is a question of whether or not they can reasonably be expected to perform and collect the rents. They were organized specifically to bid on this concession and it was so stated in the package. It was also stated that they would provide all the financial requirements essential to perform this contract and they have done that. He explained that one of the partners needed to protect his other business from liability and that is why they changed from a partnership to a corporation. He assured the Commission that the Airport does not have to worry about penetrating the corporate veil. All of the principles in Shoeshine Unlimited have already agreed and given assurances to the staff that they fully intend to personally sign on and take responsibility for the lease payments. He said that the allegation that the corporation is out to dupe the Airport or to avoid payments on the lease is a ruge on the part of those who are complaining.

Commissioner Stephens asked Mr. Williams how long his clients have been at the Airport.

Mr. Williams responded that they have been at the Airport for 25 and 27 years.

Commissioner Stephens asked if anyone else owns part of their business.

Mr. Williams responded that they have a third partner who is their insurance agent and who has been their insurance agent for the last 15 years. He is an equity participant and raises the capital required to perform and meet the requirements of the bid. He also told the Commission that the insurance agent is a qualified MBE with the HRC.

5. Revision of Resolution on the Human Rights Commission Requirements Clarification

No. 87-0082

Mr. Turpen told the Commission that this resolution clarifies some language as requested by the Commission.

6. Tenant Improvement:

Conceptual Approval of U.A.L. Royal Pacific Lounge/Host Vista Lounge

No. 87-0083

Resolution conceptually approving the U.A.L. Royal Pacific Lounge/Host Vista Lounge Tenant Improvement projects in the International Terminal, Boarding Area 'D'. No cost to Airport.

Mr. Turpen explained that this is a conceptual approval of a lounge for United Airlines in view of their acquisition of the Pan Am Pacific route system. He said that space is non-existent for such a lounge and based on the under-utilization of the Vista Bar staff is recommending a short term, five-year agreement with United and Host, to allow United to use that space. If, during the interim, space becomes available elsewhere in Boarding Area 'D' United has agreed, as part of this package, to relocate at the Commission's request.

Mr. Turpen said that United requires conceptual approval in order to continue to move ahead with this project. They want very much to get this in place before the summer rush.

Commissioner Tsougarakis said she was at the Airport yesterday and saw that the Vista is obviously under utilized.

7. \$8,500 Contract with The Mexican Museum, San Francisco

No. 87-0084

Approval of exhibition Mexican Folk Art to be displayed May 4, 1987 to August 30, 1987 and authorization of Contractual Agreement between Airport and The Mexican Museum in the amount of \$8,500.

Commissioner Tsougarakis asked if there was any out-of-pocket money spent on the Asian Exhibit up to this time.

Mr. Turpen said he was not certain but believed that there was. He asked Commissioner Tsougarakis if she was referring to the cancellation.

Commissioner Tsougarakis responded yes. She said she would like the Asian Commission to be made aware of it. She said it was her understanding that they cut the Airport off at the last minute.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

8. Award of Airport Contract No. 1564R:
Rehabilitate Drainage Pump Station No. 1

No. 87-0085

Resolution awarding Contract No. 1564R to Lim & Associates in the amount of \$306,400.

9. Award of Contract 1802:
Extend Blast Fence T/WA @R16

No. 87-0086

Resolution awarding Contract 1802 to Dalzell Corporation in the amount of \$140,870.

10. Resolution Acknowledging Assignment of Leases - Republic Airlines, Inc. to Northwest Airlines, Inc.

No. 87-0087

Resolution acknowledging assignment of leases from Western Airlines, Inc., to Delta Airlines, Inc. by merger.

Commissioner Goosby said that W.P. Young, Inc and Mock took advantage of the MBE/LBE preference for the pump station but did not use it on the blast fence (item no. 9). HRC said it waived the MBE requirements due to the limited subcontract opportunity. He said he does not understand why they didn't take advantage of it. He asked if it was because of the amount of the bid.

Mr. Wong responded that what most likely happened was that they did not check off HRC Form 6, indicating that they were an MBE/LBE, for the second bid. He said if a bidder is requesting a preference, HRC requires that Form 6 be checked off. They probably forgot to check the form.

Mr. Turpen said he would be happy to investigate the situation and advise Commissioner Goosby as to why the form was not checked.

11. Resolution Acknowledgng Assignment of Leases - Western Airlines, Inc. to Delta

No. 87-0088

Resolution acknowledging assignment of leases from Western Airlines, Inc. to Delta Airlines, Inc. by merger.

12. Request for Travel/Training for Airports Commission Representatives

No. 87-0089

* * *

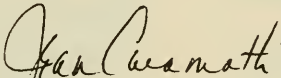
I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:59 AM to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JUNE 2, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

DON RICHARDS STEPHENS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

June 2, 1987

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Minutes
of the
Airports Commission Meeting

June 2, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President
	J. Edward Fleishell, Vice President
	Z. L. Goosby
	Athena Tsougarakis
	Don Richards Stephens

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 7, 1987 were adopted by order of the Commission President.

No. 87-0109

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary, announced unanimous adoption of Resolution No. 87-0108 regarding the settlement of a claim at the closed session of May 19, 1987.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby asked if there was a possibility of withdrawing the bids for Boarding Area 'E' for 20-30 days while an evaluation is made on whether or not the bid should contain provisions for MBE/WBE participation. The bids can then be reissued with any inclusions staff and the Commission may wish to make.

Mr. Turpen, Airport Director, said that this bid went out in the standard principal concession format and was rejected. Staff went through a series of discussions with the Human Rights Commission in an attempt to come up

with something. The decision was made to bid it as a straight business concession without any minority opportunities in terms of set asides. Since the time the Commission authorized the bid there has been a re-thinking of the earlier denials of the principal concessionaire concept. He said that from the Commission's consistent perspective it would desirous to maintain that concept.

Mr. Don Garibaldi, Airports General Counsel, told the Commission that it has the authority to postpone the bid opening date as well as the authority to cancel the invitation for bids.

Commissioner Fleishell said that his concern is that there is nothing before the Human Rights Commission to act upon other than to offer their general statement based upon earlier presentations made to them by staff. He did not mind the 30 day delay but he did not want it extended again and again. He said that Mr. Turpen points out in his memo that a great deal of money has already been lost by not having this concession open and every day that goes by the Airport loses more money. He said that if staff could get a commitment from HRC that they will agree to a specific set of documents he would agree to the 30-day delay but he does not want this to drag on. He asked if staff objected to the 30-day delay.

Mr. Turpen responded that he would not object to a 30-day delay but he thought that a July 1 deadline should be established for HRC agreement with the Airport's original specifications. In that regard he suggested suspending the bidding for 30-days for re-evaluation and notifying the interested parties. At the end of that 30-day period the bidding process can be reinstated and the bid opening date adjusted by 30-days, or, a new set of bid specifications can be issued and a call for new bids will go out. He said that in any event this delay has put us beyond the peak summer season. There will be no further reviews, considerations, or amendments at the end of the 30-days.

Commissioner Fleishell asked Mr. Garibaldi if a motion could be made creating this 30-day interim and worded in such a way that the matter need not return to the Commission for adoption of the earlier specifications.

Mr. Garibaldi responded that if the Commission intends to proceed with the current specifications that can be done without any problems.

Commissioner Fleishell made the motion that the bid process be delayed until July 1. If, at that time, the HRC has approved our original set of specifications, staff is directed to move ahead on the existing set of specifications without further Commission action.

The resolution was unanimously adopted.

No. 87-0109-A

Mr. Jim Jefferson, San Francisco Black Chamber of Commerce, complimented the Commission on its fine MBE/WBE record. He said that the principal concession approach has worked well and has been beneficial to the MBE's and WBE's. He asked if there would be any opportunity, during the 30-day period, to explore the structure of the bid. He also asked if the Commission meant just the original bid specifications.

Mr. Turpen responded that it was just the original bid specifications. He said the Commission will either go with what it presently has or the original bid specifications, which were basically the principal concessionaire specifications.

Mr. Jefferson said that his concern was whether or not the interim problems can be worked out with the City Attorney and the HRC. He felt that there may be a necessity to slightly augment those particular

specifications in some way and asked if that would be a violation of the Commission's resolution.

Mr. Turpen responded that it would. He said that in view of the short time frame and the Airport's previous experience with the HRC, introducing any other concept at this time would defeat any opportunity for reinstating our previous specifications.

Commissioner Goosby said that the HRC had a problem with the City Attorney's opinion in certain matters. He said that there should be a clarification and wording changes to satisfy the City Attorney. He said that a legal question is holding up the HRC and, hopefully, if it can be straightened out to their satisfaction, it will be approved.

Commissioner Bernstein asked what was happening with the West of Bayshore Property.

Mr. Turpen responded that the West of Bayshore property has been included with all of the Airport property for planning purposes. He reminded the Commission that at one time the Airport was precluded from using that property. Presently, at the Commission's suggestion and the Mayor's agreement, the West of Bayshore property is considered part of the Airport and is being looked at as part of the master planning process. That process will conclude in the first part of 1988. At that time the Commission will have a series of alternatives for the use of that property as well as plans for its access.

Commissioner Tsougarakis asked if that study is also considering the center of the garage.

Mr. Turpen responded that he would not say that the study is directed to the hole in the garage. At one time a decision was made not to proceed with that area. No commercial opportunity has been explored for several reasons. He said that a study was done several years ago to determine what could and could not be done in the center of the garage. He explained that the garage was designed with a hole in the center to provide for ventilation, circulation and carbon monoxide control. Anything built in that area would have to be constructed on a spire and would cost millions and millions of dollars. He told the Commission that it would have cost \$17-million to build the control tower in that location.

Commissioner Tsougarakis asked if the group working on the master plan was aware of the study.

Mr. Turpen responded that they are aware of the study and the hole in the garage. If the Commission wants the master planning effort to come up with alternatives for the hole in the garage, consistent with the physical constraints, that can be arranged.

Commissioner Tsougarakis asked how many years the master plan will cover.

Mr. Turpen responded that it is a five-year operating plan with a 15-year horizon.

Commissioner Tsougarakis felt it should be included, given the length of time, even if the study suggests it's not feasible to do anything.

Mr. Turpen said that the Commission will most likely see a rough-cut in about three-months.

Commissioner Goosby asked for a quarterly briefing.

Commissioner Bernstein reminded the Commission that at the last meeting he suggested hiring a traffic consultant.

Mr. Turpen said that staff can proceed if the Commission desires. A list of potential consultants can be put together or the Commission can submit names. Staff can then conduct the interviews and return to the Commission with a recommendation.

Commissioner Tsougarakis agreed.

Mr. Turpen said that staff can develop a proposal, contact and interview all consultants. The top four or five consultants will then be presented to the Commission for selection.

Commissioner Tsougarakis asked how the problem will be presented to the consultant.

Mr. Turpen said that the consultant can create a ground transportation plan for the Airport, recognizing the Airport's demands and ignoring what exists. The alternative is to do an operational audit, taking a look at the current plan and commenting on its effectiveness and validity as well as recommending changes for improvement. He thought that the first alternative would be far more expensive.

Commissioner Tsougarakis said that the statistics staff assembled on ground transportation are a good ground work for a consultant as a lot of the basic research work has been done. In either case, it might not be as expensive as it could be if the consultant came in and created a new plan.

Mr. Turpen said that it is a question of expense and time. If the Commission wants an evaluation of where we are and an indication of where we need to go, a review is the better idea. The Commission can always go to the next step after the review has been completed.

Commissioner Goosby felt that a study would show the industry that the Commission agreed with the idea and supports the Airport's position in the event a lawsuit develops. It could be a first step in the event any glaring errors are found.

Commissioner Fleishell said that consultants are hired to offer advice but in this instance his advice will be limited by contractual restraints. The consultant may decide that current operators should be moved around, but because of the political force of the taxi organization the move would be minimal. In addition, there is a contract and a lawsuit with the limousines. If the decision is to combine the buses and the shuttles into one contract, the Airport will not move ahead with its ground transportation agreement and we will lose a great deal of money. He felt that the best finding the Airport could hope for from the consultant is for him to advise that what the Airport is doing is fine but that he would do it another way.

Commissioner Tsougarakis agreed with Commissioner Fleishell but felt that the Airport needs to understand whether or not our contractual agreements are moving in the right direction because of the way the transportation market is changing. If we have confidence in our system we can start moving as our contracts come up.

Commissioner Fleishell remarked that once the bids go out the consultant will be limited in his ability to offer advice on how it should have been handled.

Commissioner Tsougarakis said that the Commission President has indicated that he does not want to vote on any transportation issues until the Commission has evidence that the Airport is moving in the right direction.

Commissioner Stephens said that having gone through the turmoil created in the ground transportation area he would hate to see progress stopped to wait for advice from another consultant that we won't be able to follow because of existing contracts.

Commissioner Tsougarakis asked if the Commission was confident that we are moving in the right direction.

Commissioners Goosby and Stephens said that they were confident.

Commissioner Goosby said he would go along with hiring a consultant because Commissioner Bernstein wanted it but he was prepared to accept staff's recommendations.

Commissioner Tsougarakis said she was reasonably confident but wouldn't mind a study.

Commissioner Bernstein said he did not share that confidence. He did agree that the problems may not have been created by staff but rather by the architects.

Commissioner Tsougarakis argued that it's a small area and there's a lot of traffic.

Commissioner Bernstein reminded the Commission that many years ago the West of Bayshore area was being considered as a staging area for buses and taxis.

Commissioner Fleishell said that staff knows more about this than the Commission does. He said that the Airport could hire an architect specializing in this field for a period of three days and at a cost of \$5,000. He said the Airport and its roadways are under design and cannot be changed. He felt that the Airport should move ahead with the bid and immediately begin looking at experts to do a study.

Mr. Turpen suggested a \$10,000 maximum.

Commissioner Stephens added that this should not hold up the current process and should be done within that framework.

Mr. Turpen said staff will move quickly to find a consultant and seek ratification by the Commission.

Commissioner Bernstein said that the Chief of Police gave him the name of someone specializing in this field.

Commissioner Fleishell said that there is an architect in Oakland that he has used and would provide the Director with his name.

The Commission unanimously voted to hire a consultant.

No. 87-0109-B

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was unanimously adopted by the Commission.

1. Resolution Awarding the lease of Cigarette Vending Machines in the International Terminal

No. 87-0110

Resolution awarding the lease of

cigarette vending machines in the
International Terminal to J.V. Vending.

Item No. 2 was adopted by a 4-1 vote with Commissioner Bernstein casting the dissenting vote.

2. Professional Services Agreement - \$58,000
Richard Lack - Professional Safety Consultant

No. 87-0111 Proposed resolution approving the professional services agreement with Richard Lack to administer the Occupational Safety Program at the Airport.

Commissioner Goosby asked if this would be a permanent addition to the staff.

Mr. Turpen responded that this is a consultant. The Airport has traditionally used a safety consultant as an impartial third party.

Mr. Dennis Bouey, Deputy Director for Facilities Operations and Maintenance, explained that this is a Prop J contract and staff must prove to the Controller that this contract is less expensive than hiring a staff person.

Commissioner Bernstein asked what the consultant will do.

Mr. Bouey responded that the contractor will ensure compliance with CAL OSHA's rules and regulations as well as other health and safety policies mandated by State law, set up a program to try and reduce workers comp claims, and set up a hazardous materials program at the Airport that meets State law.

Commissioner Bernstein asked why the traffic consultant's contract is for \$5,000 and the safety consultant's contract is for \$58,000.

Mr. Turpen responded that the traffic consultant will be hired for one week; the safety consultant contract runs for one year.

The following items were unanimously adopted.

3. Tenant Improvement:
Delta Airlines - Facility at Plot 12 - T-3247
\$1,800,000 - No Cost to City

No. 87-0112

4. Tenant Improvement:
American Airlines - North Terminal Ticket Counter, Offices, and Gate Area Remodel - T-3272 - \$400,000 - No Cost to City

No. 87-0113

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

5. Retirement Resolution:
Thomas Malim

No. 87-0114

6. Retirement Resolution:
Guillermo Ortiz

No. 87-0115

7. Type II Modification for Contract 1410EF, South Terminal Phase II

No. 87-0116

Contract modification to provide additional work for unforeseen conditions and deficiencies in the plans and specifications. - \$30,291.00

8. Airport Development Aid Program (ADAP No. 4)
Amendment No. 1 to Grant Agreement

No. 87-0117

Resolution accepting Amendment No. 1 to ADAP No. 4 Grant Agreement and authorizing the Director to execute said Amendment.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:42 AM to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JUNE 16, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

DON RICHARDS STEPHENS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

June 16, 1987

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Minutes
of the
Airports Commission Meeting

June 16, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:03 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

Morris Bernstein, President
J. Edward Fleishell, Vice President
Z. L. Goosby
Athena Tsougarakis
Don Richards Stephens

J. Edward Fleishell left the meeting
at 9:20 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the following regular meetings were adopted by order of the Commission President.

No. 87-0120

April 21, 1987

No. 87-0121

May 19, 1987

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary, announced unanimous adoption of resolution no. 87-0118 authorizing the Director to hire Jacobs Associates at a cost not to exceed \$125,000 to serve as an independent and impartial third party consultant to evaluate the dispute between Williams & Burrows and the City; and, 87-0119 hiring the law firm of Howard, Rice, Nemerovski, Canady, Robertson and Falk to handle litigation with SFO Airpotter and Associated Limousine at the closed session of June 2, 1987.

E. DIRECTOR'S REPORTS:

1. Airport Van Service Agreement

Report outlining the Airport Van Service Agreement Pre-Bid Conference results and proposed specifications.

Mr. Lou Turpen, Airport Director, explained that this is a summary of the results of the pre-bid conference on the van service. Staff will return in two weeks with a recommended set of bid specifications.

Commissioner Goosby asked what the objection was in allowing additional employees to be hired to handle baggage.

Mr. Turpen responded that denial was based on the potential for solicitation. He explained that if a firm had an employee on the curb that employee could solicit passengers away from other ground transportation operators on the lower level. He said that it was the general consensus of staff that there was merit in the suggestion.

Commissioner Goosby said that there was some discussion on combining the van and bus services and asked who wanted them combined.

Mr. Turpen responded that the suggestion came from a large bus operator and that operator was the only pre-bid conference participant who expressed an interest in combining the two services.

Mr. Turpen said that staff will return at the next meeting with a draft set of specifications for the Commission to consider. Members of the public can respond at that time to that final set of specifications.

2. Status of Public Works Committee Hearing Regarding Noise - Oral Report

Mr. Turpen said that the Public Works Committee of the Board of Supervisors has been holding a number of hearings on aircraft noise. He said that there will be another hearing this Thursday at which time the Committee will consider the resolution contained in the Commission's agenda package. That amended version was provided to the Commission this morning. The Airports General Counsel has reviewed it and Mr. Turpen saw no reason why the Commission could not support the content of the resolution. He will be in attendance at that Committee meeting and would like to give the Committee a sense of the Commission's views.

Commissioner Goosby said he wished the Board of Supervisors had done this at the Commission's request several years ago when the Airport was trying to get the FAA to alter its routes.

Mr. Turpen said it would be appropriate for the Commission to vote on this amended resolution so that he might represent the Commission's feelings to the Public Works Committee. The Commission will have the opportunity to look at it at the next Commission meeting. He said that the Committee's action will be reported out to the Board as well as the Commission's wishes.

Commissioner Goosby suggested that Mr. Turpen indicate that the Commission agrees with it in principle rather than giving specific

approval to this unfinished resolution.

Commissioner Stephens asked who made the corrections to the resolution.

Mr. Turpen said that he believed they were made by Supervisor Maher. He said that he would tell the Committee that the Commission agrees in principle with the concept and will pass a formal resolution when the final document is available.

Mr. Turpen said it was his understanding that Supervisor Maher will forward a letter to the Commission President soliciting the Commission's assistance in this regard, commenting on the Commission's new noise regulation and urging the Commission to act in that regard. He said he has not yet seen the letter but understands that it will be forthcoming after the hearing on Thursday.

Commissioner Tsougarakis asked if this was favoring San Francisco and working against San Mateo County.

Mr. Turpen responded that he did not believe so. He thought that the resolution was balanced and that was one reason why he could encourage the Commission's support. He said it addresses noise as a general problem as opposed to noise as a specific neighborhood problem. He said it has always been the Commission's policy to address it on a broad base rather than on a segmented base.

3. Boarding Area 'E' Principal Concession - Oral Report

Mr. Turpen said that the Commission instructed staff to suspend the bidding process for the Boarding Area 'E' Principal Concessionaire to allow the Human Rights Commission an opportunity to reevaluate our specifications and hopefully concur with the Commission's basic Principal Concession concept. As a result of those instructions he prepared a letter to Grant Mickens, attaching the specifications and asking for his approval. He said that a deadline date of July 1 was established. Should the Airport fail to receive the necessary approval from HRC by that date staff will proceed without a set aside for MBW/WBE opportunity. If HRC agrees, staff will put out an amended set of specifications for a set aside. He said that staff has yet to hear from HRC.

Commissioner Goosby corrected Mr. Turpen and said that while they interpret it as a set aside, the Airport does not; we look at it as MBE/WBE involvement.

Mr. Turpen agreed with Commissioner Goosby but said that in any event, the Airport has not heard from the Human Rights Commission. He said that since the deadline falls before the next Commission meeting he suggested that if HRC has not forwarded a signed letter to the Airport by July 1 staff will proceed as the Commission has previously instructed.

4. Airport Master Plan - Working Paper 'A'

Mr. Turpen said that the Commission has received copies of the Airport Master Plan Working Paper 'A' which is a forecasting document. He said that the Commission has individually input suggestions and comments regarding this document and would welcome any further comments directed to him or Jason Yuen on the Working

Paper. The next step in this process would be to make that working paper available to Airport tenants, State and Federal agencies and to move on to Phase II, which is the development of a conceptual plan. That should be before the Commission in August or September and will address the hole in the center of the garage and the West of Bayshore property, i.e. the options and alternatives.

Commissioner Stephens asked if this would include a proposal to move the rental cars.

Mr. Turpen said that that issue will not be included in this particular phase; it will probably be included in Phase 'B' or 'C'.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Bernstein said that he and Mr. Turpen have discussed the possibility of naming a piece of land adjacent to PSA on the lower level after Bill Coblentz in recognition of his 15 years on the Airports Commission. He said the recommendation is to name that area "Coblentz Court".

Mr. Turpen said it was a triangular piece of land located on the right-hand side of the entrance to the lower level where the roadway swings in front of PSA at Boarding Area 'A'. He said that it's a small court with benches and the area will be enhanced with plants.

Mr. Turpen said that staff will take photos and present them to the Commission at the next meeting along with a formal presentation.

Commissioner Stephens asked if there is a precedent for this.

Mr. Turpen responded that Bill McDonnell, one of the first Airports Commissioners, has an Airport road named after him.

Commissioner Goosby explained that Commissioners can submit names of individuals noted in the aviation industry for similar commemoration.

* * *

G. PENDING LEGISLATION:

The following item was unanimously adopted.

5. Resolution Supporting Board of Supervisors Resolution on Aircraft Noise, If Amended

No. 87-0122

Mr. Turpen said that the resolution before the Commission concerning aircraft noise was introduced by Supervisor Walker. He said that there are two suggested amendments, clearly spelled out in the resolution, both of which will make the resolution more accurate. The first relates to flight volume and flight activity; the other relates to the Roundtable as the appropriate agency. He recommended endorsement of this resolution.

Mr. Turpen told the Commission that Supervisors Nelder and Gonzalez have also introduced legislation regarding aircraft noise. He said

that Supervisor Walker's resolution, if amended as suggested, and Supervisor Maher's resolution are consistent as they relate to the Airport's program. He said that staff would very much like to take a look at Supervisor Nelder's resolution and return to the Commission with a reaction to them.

Mr. Turpen explained that the resolution proposed by Supervisor Nelder asks the City Attorney to prepare legislation, as strong as is permitted under State and Federal law, to "ask the FAA to reroute airplane traffic to the greatest extent possible so that San Francisco can enjoy the advantage provided by geographic definition", and "reroute traffic over water to completely bypass residential areas, if possible, as well as asking the FAA to release to San Francisco the noise and flight monitoring records for SFO for the last two years so the public can evaluate recent flight paths."

Mr. Turpen said that Supervisor Gonzalez's resolution recommends establishing a committee consisting of the Departments of Public Works, Public Health, Airport, Police and a number of other agencies to meet and discuss this problem and make recommendations to the Board of Supervisors. He explained that this would be a San Francisco version of the Roundtable.

Mr. Turpen said that staff will make a recommendation that will make all of the resolutions consistent with one another as well as consistent with the Commission's long standing noise mitigation effort. He asked that the Commission adopt a resolution supporting Supervisor Walker's legislation with the proposed changes.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Items 6 and 7 were called together and unanimously adopted.
Commissioner Fleishell left the meeting at the call of Items 6 and 7.

6. Amend the Airports Commission Resolution 87-0091 - \$468,334.00

No. 87-0123

Amend the "Intermediate Term Program", Increase Noise Monitoring in San Francisco, Airports Commission Resolution 87-0091, dated May 19, 1987, from four to five noise monitoring terminals each with a positive aircraft ID capability. (\$468,334.00).

7. \$468,334.00 Supplemental Appropriation to Add Five Noise Monitoring Terminals in San Francisco

No. 87-0124

Resolution authorizing request to fund five noise monitoring terminals in San Francisco, consistent with the requested modification to the Airport's Noise Monitoring Plan.

Mr. Turpen explained that this is an extension of a previous Commission action. He said that the Board of Supervisor's Public Works Committee asked that a fifth monitor be included.

Mr. Turpen explained that the noise monitor will record aircraft noise events, determine the level of noise in the monitoring area, allow staff to project the noise in a larger area by virtue of computer applications, and identify the aircraft generating the noise event. The monitors can be set at certain trigger levels so that they will automatically trigger and query aircraft that are noisy. He said that they will not reduce noise; they are simply a vehicle for establishing a data base so the Airport can do a better job of addressing the noise issue. He said that presently if an aircraft flies over San Francisco staff has no way of knowing whether that aircraft originated from Oakland, San Francisco, Alameda or another location.

Commissioner Tsougarakis told the Commission that following a recent meeting on noise in Visitacion Valley, she and several attendees were standing outside the building when a plane flew over head. Several residents complained that the plane was too low; an FAA official argued that the plane was 3000 feet over head. She said that without the monitors it cannot be determined who was right and who was wrong.

Commissioner Bernstein felt that it was too much money to spend. He said that when the Airport was closed recently noise complaints were still received.

Mr. Turpen said that in one area of the City there are a lot of overflights from naval aircraft, having nothing to do with commercial aviation. The Airport is receiving calls on those aircraft as well.

Mr. Turpen said that objectivity must be introduced into the situation and the noise monitors will give the Airport that degree of objectivity in determining the extent and magnitude of the problem, if there is one. He said that a lot more money can be spent over time in trying to deal with perceptions without any data.

Commissioner Goosby said that the Board of Supervisors and the Mayor were told that this is a part of the Airport's projected program which was planned some time ago. It is not the result of criticism and he did not want the Board of Supervisors to think that the Airport is responding to their inquiries.

Commissioner Tsougarakis said that the FAA has changed its plans since the Airport's original monitoring program was established, so doing this is a valid off-shoot of the existing monitoring program.

The following items were unanimously adopted.

8. Resolution Urging Disapproval of Proposed Charter Amendment Relating to Binding Arbitration for Grievances on Routing Personnel Policy and Practices.

No. 87-0125

Mr. Turpen explained that this item opposes the proposed Charter Amendment. He explained that this was one of the things the unions sought but eventually abandoned during our meet and confer sessions. Now, after those sessions have been concluded, the unions are coming through the back door to get back what they withdrew. He said it violates the good faith of meet and confer and he did not think this was appropriate. He recommended that the Commission oppose the amendment. He further recommended that if this matter goes forward that the Commission instruct staff not to sign any MOU's resulting from these negotiations as we are not obligated to do so. He said

that Jim Ilnicki, the Airport's Departmental Personnel Officer, can address any questions the Commission might have.

Mr. Ilnicki told the Commission that some departments of the PUC have grievances on some of the matters covered by this Charter.

Commissioner Goosby said that a lot of departments file grievances but they aren't subject to binding arbitration.

Mr. Ilnicki said that was correct. The Airport currently has binding arbitration for certain matters that are under the jurisdiction of the Board of Supervisors. He said that things that are traditionally under the jurisdiction of departments are not subject to binding arbitration but would be under this Charter proposal. Things as simple as a manager wanting to reassign a clerk from one location of the Airport to another will be grievable and subject to binding arbitration under this amendment.

Mr. Turpen said that the Airport will end up spending thousands of hours and hundreds of thousands of dollars dealing with these issues. He said that the Airport is one of the more aggressive departments in personnel administration in the City but if this amendment goes through no department will want to get involved in the extended time-consuming administrative hassle it will create. It will become a tool to insure that no disciplinary action takes place.

Mr. Turpen said that the Mayor has instructed all City department heads to present similar resolutions opposing this Charter amendment to their Commissions.

Commissioner Goosby felt that if this amendment ever reaches the ballot the voters of San Francisco will turn it down.

9. Resolution Approving the Schematic Design for Remodeling the North Terminal Terrace Restaurant

No. 87-0126

10. Resolution Authorizing Relocation of South Terminal Flower Operation and Approving Design Review of Flower Kiosk in West Entrance Building.

No. 87-0127

Resolution authorizing South Terminal Principal Concessionaire, Host, to relocate its flower operation by installing a flower kiosk in the West Entrance Building.

Mr. Turpen told the Commission that someone was supposed to be present from Host to show the Commission renderings. He said he could get them to the Commission.

Commissioner Stephens said he trusted Mr. Turpen.

11. Award of Contract No. 1656:
Replacement of Pumps at Industrial Waste Pump Station 'C' and 'A'

No. 87-0128

Resolution awarding Contract No. 1656 to Lim and Associates in the amount of \$115,800.00

12. Resolution Consenting to the Election of Mrs. John Mailliard, III as Director of San Francisco Airport Improvement Corporation

No. 87-0129

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Items 14 through 18 were called and unanimously adopted. Item 13 was moved to the end of the Consent Calendar and unanimously adopted.

14. Resolution Approving Sublease Amendment - American Airlines and Pacific Southwest Airlines

No. 87-0131

Resolution approving Amendment No. 3 to agreement of sublease between American Airlines and Pacific Southwest Airlines for a portion of Plot 40.

15. Resolution Approving Sublease between Qantas Airways and UTA French Airlines

No. 87-0132

Resolution approving the sublease of International Terminal office space between Qantas Airways and UTA French Airlines.

16. Resolution Approving Sublease between Trans World Airlines and Total Air

No. 87-0133

Resolution approving the sublease of office space between Trans World Airlines and Total Air on Airport Plot 3.

17. Design Review Approval - South Terminal Shoeshine Concession

No. 87-0134

Resolution approving the schematic designs of the new South Terminal Shoeshine Concession Stands for Boarding Areas 'A' and 'B'.

18. Travel/Training for Airport Representatives

No. 87-0135

13. Declaration of Emergency:
Electrical Cable Failure - Feeder 12AM-1
Contract No. 1941

No. 87-0130

Resolution ratifying action of the

President of the Commission in declaring an emergency in electrical cable failure at North Field Area serving Tank Farms, Water Quality Control Plant, S.F. City College, and directing the Director of Airports to effect the necessary repairs.

Mr. Turpen explained that the power cable went out and staff responded to it. An emergency was declared and Chevron brought up a primary power standby generator. He said that it should easily run for a year but failed after a few weeks. He asked Mr. Bouey how much cable was replaced.

Mr. Dennis Bouey, Deputy Director, Facilities Operations & Maintenance, told the Commission that 6000 feet of cable was replaced.

Mr. Turpen said that when Chevron's generator failed they did not have a back-up so the Airport provided one.

Commissioner Stephens asked that the item be put over explaining that Commissioner Fleishell had some comments.

Mr. Turpen asked the Commission to pass the item as it is a declaration of emergency and he will place it on the next calendar for discussion.

Commissioner Stephens said that would be fine.

Commissioner Bernstein asked Mr. Turpen if he had seen the letter from Standard outlining the problem.

Mr. Turpen said he did. He said that there is obviously a suggestion that Airport staff did not respond appropriately. Staff will welcome the opportunity at the next Commission meeting to set the record straight.

Commissioner Stephens asked if staff wanted to add anything.

Mr. Bouey said he would reserve his comments until the next meeting.

* * *


J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:40 AM to go into closed session.


Jean Caramatti
Commission Secretary

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President

J. EDWARD FLEISHELL
Vice-President

DR. Z.L. GOOSBY
ATHENA TSOUGARAKIS
DON RICHARDS STEPHENS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

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of the Minutes
Airports Commission

July 21, 1987

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Minutes
of the
Airports Commission Meeting

July 21, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

Morris Bernstein, President
J. Edward Fleishell, Vice President
Z. L. Goosby
Athena Tsougarakis
Don Richards Stephens

Commissioner Stephens left the meeting
at 10:30 AM.

Commissioner Goosby left the meeting
at 10:55 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the following regular meetings were adopted by order of the Commission President:

No. 87-0138
No. 87-0139

June 2, 1987
June 19, 1987

* * *

L. CLOSED SESSION:

The meeting recessed at 9:02 AM to go into closed session and reconvened at 9:16 AM.

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary, announced unanimous adoption of resolution no. 87-0131 authorizing the settlement of a claim at the closed session of June 16, 1987.

* * *

E. SPECIAL ITEM:

The following item was unanimously adopted.

1. Resolution Naming the Open Courtyard in Boarding Area 'D' in Honor of William K. Coblentz

No. 87-0140

Mr. Lou Turpen, Director, said that at the June 16 Commission meeting the Commission discussed an appropriate way of recognizing the contributions of former Airports Commissioner Bill Coblentz. Staff has conducted a review of alternative sites and recommends that the atrium in Boarding Area 'D' be named in honor of Commissioner Coblentz. He said that the accomplishments of Commissioner Coblentz need no amplification and he is pleased to make the recommendation.

Commissioner Bernstein thought that this honor was well deserved and thanked the Commission on behalf of Commissioner Coblentz.

* * *

F. DIRECTOR'S REPORTS:

2. Boarding Area 'E' Principal Concession - Oral Report

Mr. Turpen said that the Commission established July 1 as a deadline to receive HRC approval of the Airport's principal concession concept for Boarding Area 'E'. Staff is to work with HRC to achieve that end. Absent approval by the Human Rights Commission by July 1 that concession opportunity was to be bid as a straight concession without the principal concession concept. If the HRC approved the principal concession concept as structured by the Commission then staff was to withdraw the bids and rebid it in an amended format. Permission was received from HRC to proceed with the principal concession concept on July 1 however that permission was subsequently withdrawn due to legal considerations. The choices now remaining are to either bid it as a straight concession opportunity as the Commission directed staff, absent HRC approval; or, to take a look at breaking the concession into smaller increments. This was discussed at the March 4, 1986 Airport's Commission meeting at which time the Commission opted to consolidate it into a single bid simply because some of the entities were so small that it was determined that they could not financially stand alone.

Mr. Turpen said that although he has already been given authorization to move ahead he wanted to discuss it with the Commission one more time. Unless the Commission directs him to the contrary he will proceed with a bid for Boarding Area 'E' as a straight concession opportunity under the applicable rules of the City.

Commissioner Stephens asked for an explanation of "straight concession opportunity concession."

Mr. Turpen responded that there were two options. One was the principal concession option with a 30 percent space set aside for minority/women participation; the other opportunity is without a set aside. He explained that the space can either be bid as a block with all of the spaces tied together as a single concessionaire, or, to

break the spaces into three or four smaller independent concession opportunities.

Commissioner Goosby suggested that two could be bid in the normal bid procedure and the other two smaller spaces could be bid for small business.

Commissioner Goosby complimented and thanked Ms. Rosales for appearing at a meeting with Don Garibaldi. He asked if there could be a combination of a small concession with a large concession if staff felt there was no viability in that space being bid as four small concessions. He said that the other two could be set asides for small/local businesses.

Commissioner Stephens said that his preference was, to the extent that the bidders were viable, to allow as many local businesses and smaller businesses to have an opportunity to bid. He did not feel they should be subsidized, nor should they be precluded because the space was 50,000 feet. He said that he did not think it made any difference but if by definition of the bidding procedure it's limited to Host and a local restaurant wants an opportunity to bid, and they are willing to pay the same rent with the same terms and are able to provide a financial statement indicating they are able to perform the bid, he would rather see them have the opportunity to bid and not be precluded.

Mr. Turpen said that the thinking was that at 3,500 square feet for all the entities combined it was small enough so that smaller businesses could actually bid. He said that this was unlike the 25,000 square feet in the International Terminal where the cost of fixturing alone was prohibitive for many people.

Commissioner Stephens said he did not see anything wrong with bidders combining to form a coalition to bid as long as it is not so large that it effectively precludes them from the bidding procedure.

Mr. Turpen responded that staff did not feel that 3,500 square feet would preclude anyone. He said that the other concern was that when broken up the two smaller spaces were so small that they would not be viable. Staff does not want to create a situation where the bidder would be doomed to failure.

Mr. Turpen concluded by saying that the space was small enough that an MBE or WBE could effectively compete for it. He said that if the the space was broken up it could place the bidder at a financial disadvantage.

Commissioner Fleishell thought staff's position made sense.-

Mr. Turpen said that if the Commission elects not to change it no further action would be required as the Commission has already given its authorization to bid as a 3,500 foot space.

Commissioner Bernstein said that under the provisions of the principal concessionaire concept the subtenants must be assisted in the conduct of their business. The Airport has been successful in asking the major lessee to sublet to small businesses. He said he would be in favor of having local/small businesses provided the Airport helps them by having a merchandise man show them correct inventory procedures, etc. He said that what a concession does reflects on the Airport.

Commissioner Stephens said he understood but did not feel it appropriate for the Airport to go into the business of retail training.

He asked Commissioner Goosby what he thought about staff's position.

Commissioner Goosby responded that he could not judge the viability of those spaces standing alone and would defer to staff's judgment. He said this was an enlightened policy and suggested staff brief Commissioner Stephens on it. He explained that the HRC ordinance says that a department can only resort to a set aside in cases where all other means have been explored in trying to bring about an integration of minority and women into the business. In this instance HRC did not feel all avenues were exhausted so approval was not been given.

Commissioner Tsougarakis said that the law isn't intended to help guarantee failure for a tenant. If a small business does not have a chance to succeed then the other approach is best.

Mr. Turpen said that staff wants to continue with this program and will try and work with HRC in resolving this problem. Boarding Area 'E' has been bounced around for over a year and he would like to move ahead with it while continuing to work with HRC to sort this out, or, move for a legislative change, or whatever needs to be done to allow the program to move forward.

Commissioner Bernstein said that there must be one leader. At the height of the Airport's business there were 2000 concessionaires. There must be a tough retailer who, in turn, will sublease and watch the operation.

Commissioner Bernstein asked Mr. S. Brian Williams, Construction Management Systems, if he wished to address the Commission.

Mr. Williams said that he is involved with a group of people who are very interested in operating a business at the Airport, particularly in areas in which Host is currently involved. He said that he appreciates the Commission's consideration of this item but felt that the Commission should examine Host as a master concessionaire. He was concerned that the small business gets squeezed and their profits are reduced by virtue of the way the contracts are overseen and managed by Host. He urged the Commission to examine the financials, Host and the subtenant to ensure their profit margins are consistent with other Airport concessionaires. He feared that Host was taking unfair advantage of the smaller concessionaire.

Mr. Williams said that the people he represents can, if not compete with Host, play with them at a similar level.

Commissioner Bernstein asked Mr. Williams if he could cite instances of a concessionaire being treated unfairly.

Mr. Williams said that he could probably document it but did not feel it would be constructive to do so. He said he would withdraw the comment and instead say that he has difficulty believing that Host would train and nurture concessionaires.

Commissioner Goosby said Mr. Williams was off the subject as he was addressing Item 5.

Mr. Williams wanted to be sure that there is an opportunity for minority and women-owned businesses.

Commissioner Bernstein said that everyone will be treated as they have been in the past.

Commissioner Tsougarakis said it would be constructive if Mr.

Williams expressed his concerns in writing.

Commissioner Goosby said that when Item 5 is reached he is proposing that a conference be held with the Chinese Chamber of Commerce, the Black Chamber of Commerce, the Hispanic business community to discuss the advantages and disadvantages of the concept before a pre-bid conference is held.

3. Medical Clinic

Discussion and recommendation on new Medical Clinic lease.

Mr. Turpen said the lease for the Medical Clinic will expire on June 30, 1988. This item provides the Commission with some background and thoughts on how to proceed. He recommended moving ahead with a request for proposal and asked that staff be allowed to develop the RFP and submit it to the Commission within the next 30-45 days. The Commission can then offer its comments.

4. Proposed Child Care Center

Mr. Turpen said that the San Mateo Labor Council and the Child Care Coordinating Council of San Mateo County have entered into a working partnership to place a child care facility at or near the Airport for Airport employees. There are 30,000 employees at the Airport and there is a need for such a facility. It was suggested that a portion of land on the West of Bayshore property might be appropriate so he accompanied members of the San Mateo Labor Council to that area and examined potential sites.

Mr. Turpen asked the Commission's authorization for staff to do a more detailed study on the Airport's involvement with this project. There are a number of outstanding issues that must be addressed so staff would be premature in coming to the Commission with a recommendation on a defined area. He said he needed to know if the Commission would respond favorably to an arrangement, if one could be worked out, within the legal, physical and operational constraints of the Airport.

Mr. Art Pulaski, San Mateo Labor Council, said that in many ways it is the first of its kind in the country. United Way has done a number of studies and they are working with United Way on this project. All of the studies suggest that child care is one of the most crucial issues affecting both the community and most particularly the employees at the Airport. This partnership spans a cross-section from United Way to the public sector. The San Mateo County Board of Supervisors has expressed a great deal of interest and there is also involvement by labor and management as well as involvement by the Director of the Airport Hilton Hotel and early conversations with management at United Airlines. Both the San Mateo Board of Supervisors and United Way have commissioned start up funds to help make this project a success. Further funding for the project is now being worked on.

Mr. Pulaski said that the Four Seas, serving as the administrative directorship, are the experts in the child care field and are familiar with the details for initiating such a project. He thanked the Commission for its interest and encouraged its conceptual support. Mr. Pulaski then introduced Mary Petsche.

Ms. Mary Petsche, Director, Child Care Coordinating Council of San Mateo County, told the Commission that the two organizations have been working in partnership for some time to try to develop a program for the unique needs of Airport employee parents. She said that there are few work sites like the Airport in the Bay Area or throughout the country. Child care on a 24-hour, seven-day-a-week, 365 day-a-year basis is what is needed for Airport workers. They have begun to address those needs by establishing a licensed family day care network beginning near the Airport and extending out.

Commissioner Goosby asked if they will pay rent on the facility.

Mr. Turpen responded that staff was looking at that.

Commissioner Goosby reminded Mr. Turpen that there is a master plan that the Airport is looking at as well as the experience with the downtown terminal and Mr. Lenoudakis's claim that he has a commitment from the Airport to maintain it. He said that he is in favor of child care centers but it must also be kept in mind that those parents are also concerned about exposing their children to work as they grow older. He hoped that those parents, in talking to their union officials, should get them to approve the Airport's efforts to offer high school students in San Mateo County and San Francisco County an opportunity to observe the various work stations at the Airport through an intern program. This program will afford them the opportunity to investigate the various job opportunities in the aviation field. He hoped the parents would direct their union officials to join in a subcommittee with the Commission President and himself to discuss the union's objections and why they have thwarted the Commission's efforts in this project.

Ms. Terry Mullen, Chairperson, Airport Labor Coalition Child Care Project and United Airlines flight attendant, said it is very difficult to find child care after 5:00 PM and before 8:00 AM. She said that as a flight attendant who is out of town for a day or two or even three at a time, it is very difficult to find overnight childcare. This child care project is much needed for Airport employees and they would appreciate the Commission's support at this time.

Mr. Turpen told the Commission that there are severe legal, physical and operational constraints and restrictions on Airport property. If the Commission agrees staff will try to overcome those constraints and find a parcel of land that would both satisfy the Commission's concerns and the Labor Coalition's efforts. If that can be done staff will return to the Commission with a detailed report.

Mr. Walter Johnson, San Francisco Labor Council, said that one of the most important efforts in the world today is in childcare. He complimented the Commission, the San Mateo Labor Council and United Way for recognizing the need for childcare. He said that this effort sends out a message to employees with children that there are those who care. He thanked the Commission for its open-mindedness and if a subcommittee is established he will be happy to work with it.

5. Host International Lease Option

Report outlining conditions for the exercise of Host International's Food and Beverage lease option.

Mr. Turpen said that this concerns extensive and extended conversa-

tions with Host concerning their exclusive for food and beverage at the Airport. Host has a 10-year lease extension which is solely in the Airports Commission and will commence in 1994 when their lease expires. From the Commission's perspective there are two issues, one is the opportunity to create 30 percent of the existing food and beverage space opportunity for MBEs/WBEs. The second is to create a market basket for those food items and tie them to a reasonable number of outside facilities which would be more representative than the current rates being charged. After much negotiation Host has agreed in principle to the Airport's suggestions that 30 percent of the space be set aside and that there be a market basket in exchange for the 10-year lease extension.

Commissioner Stephens asked why this was being discussed since the lease does not expire until 1994.

Mr. Turpen responded that the Airport has been presented with an opportunity to gain some concessions from Host in exchange for the lease extension. He said that the intent is to get that agreement with Host now and it will run from the remainder of this term into the extended term.

Commissioner Fleishell asked about the minority participation.

Mr. Turpen responded that the minority participation would be phased in over three time periods; 10 percent immediately upon agreement, 10 percent at another benchmark date, and the last in 1994. Every concourse in every terminal has to have something and 30 percent of the space must contribute 30 percent of Host revenues.

Commissioner Stephens said that their lease does not require that they sublease 30 percent of their space. Host will commit 20 percent now in exchange for early approval of the option. Once the option actually starts running in 1994 they will have to commit 30 percent.

Mr. Turpen said they will also be reducing their prices which will be of some magnitude on key items.

Commissioner Stephens asked if the items enumerated in the passenger survey as being most expensive would be reduced.

Mr. Turpen believed so.

Commissioner Goosby asked if price fixing was equitable without controlling a few other things. He felt that the phasing-in should be negotiable as well. He said that the MBE ordinance talks about 5% women.

Mr. Wong said that the ordinance talks about 30 percent minority and 10 percent women.

Commissioner Goosby said that the percentage for women should be increased. The minority community is very concerned about this. The minority goal should be 30 percent and we are asking for 25 percent. It is not the intent of the City ordinance. The Board of Supervisors debated this and received input from women's organizations and various communities and it should be set in keeping with the City ordinance.

Mr. Turpen said that this is an introduction to this issue. He noted that the rent that will be charged to subtenants is exactly the same rent that Host pays so no increment will be added.

Commissioner Stephens said that if the price of an ice cream is

reduced to an amount that would make it difficult to achieve a profit we don't want Host to turn around and lease the 30 percent minority/ women space to the ice cream concession. That would be good business for Host but would not be in keeping with the spirit of the ordinance.

Mr. Turpen said that potential locations have been identified on each boarding area and staff should be directed to conduct a conference, much like a pre-bid conference, of all interested parties. Staff would then return to the Commission with information from that conference.

Commissioner Tsougarakis said that the passenger survey indicates that passengers are unhappy with prices. She said that it will be quantity that will make the difference with concessions.

The Commission agreed to proceed with Mr. Turpen's recommendation.

* * *

G. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby said that it was his understanding that the Board of Supervisors, at its meeting yesterday, passed a resolution requesting that the Airport look into the Skycap problem. He asked that staff take a look at that resolution. He said that he read Mr. Turpen's response to Mr. Francois and thought it was a good one. He asked for a copy of the ordinance as well as a copy of the Airport's policy statement. He would like a reply sent to the Board of Supervisors.

* * *

H. PENDING LEGISLATION:

The following item was unanimously adopted.

6. Resolution Opposing Enactment of Proposed Amendments to the Prevailing Wage Ordinance

No. 87-0141

Resolution indicating Commission's opposition to two amendments to the Prevailing Wage Ordinance.

Mr. Turpen said that there is pending legislation on prevailing wage that will require Airport to request the Civil Service Commission to determine the prevailing wage for personnel services prior to the adoption of any resolution inviting bids. It would also require the Airport to include with the invitation to bid the wages and benefits established by collective bargaining agreements for contracts which are currently being bid.

Mr. Walter Johnson said that he understood that the Commission has a resolution opposing this language. He said that he supported the new language and opposed the Commission's resolution. The point being that the responsibility for maintaining economic status and to be fair to all parties concerned. He said that to just have an open season, with people coming into these particular situations whatever it may be, is opening the gates to a new working class of people. He felt that that was one of the problems in America today. Instead of moving up they are going down. We have a responsibility to those who have carried on their business in an honorable manner that would

properly compensate employees. Without something like this you then are able to start a process that is going to continually go down and create a problem not only at the Airport but elsewhere. He urged adoption of the language and opposed the Commission's resolution.

Mr. Turpen said that the Commission has an existing ordinance on prevailing wage and that ordinance has not been determined to be inadequate. If the Commission does not oppose this legislation it would seriously extend the amount of time to bid a contract because the prevailing wage would have to be established for all labor classes involved in that endeavor. If it is pegged at the wage that exists he does not know that we would necessarily be encouraging the number of parties interested in bidding. For the City's fiscal benefit we must have the widest number of people bidding on Airport opportunities, consistent with the law. He said that in all of our contracts we require adherence to the City's existing prevailing wage ordinance, which, to this date has not proven to be inadequate or ineffective, to his knowledge.

Commissioner Goosby said that the prevailing wage is based on an average of a number of Bay Area counties. The specifications read: "...require that the Airport include with the invitation to bid the wages and benefits established by a collective bargaining agreement." He said that that might be just one bargaining agreement between Airporter and their union but it may not be the average of the Bay Area or Northern California. He did not think that was the intention of the City.

Commissioner Goosby said that the Commission was willing to give prospective bidders an advantage in knowing about what they will have to pay in terms of prevailing wage. He felt that the Civil Service Commission was the agency to handle this but thought that the procedure by which they arrive at it has been changed so it does not take as long.

Commissioner Goosby wanted the audience to know that there were extenuating circumstances regarding these resolutions that must be addressed.

Commissioner Fleishell asked where the ordinance was in the procedure.

Mr. Peter Nardoza, Acting Deputy Director, Business and Finance, responded that it is pending in the Finance Committee. It was originally scheduled for hearing tomorrow but the Committee meeting was cancelled.

Commissioner Fleishell asked that the Commission be kept advised as there may be members of the Commission who may wish to appear before the Board of Supervisors. He felt that the Finance Committee should be made aware of the Commission's position.

Commissioner Bernstein asked Mr. Steve Leonoudakis if he wished to address the Commission.

Mr. Leonoudakis said that he has lived with the prevailing wage ordinance in the operation of two bus services for the Airport for a number of years. He reminded the Commission that when it came to bidding the shuttle bus contract the Commission did the very thing that Supervisor Walker is recommending in the adoption of the amendment of the prevailing wage ordinance. He said that the Commission asked the Civil Service Commission to do a study that showed the prevailing wage for shuttle bus drivers. He said that the ordinance as drafted is that it is meaningless. The problem occurs when the bid is open and you have a substandard bidder paying substandard

wages who has knocked out a loyal provider of over 30 years. The draft ordinance now provides that if an employee wants to complain that he is not receiving the prevailing wage he can petition the appropriate body. He asked what employee would complain to the Civil Service Commission; he would lose his job.

Mr. Leonoudakis said that this amendment once and for all answers the question of what is the prevailing wage. He urged the Commission not to oppose this ordinance at this time or at the very least he asked the Commission wait until the Finance Committee hearings have been held and the ordinance is in its final form.

Commissioner Goosby said that he would like to see an amendment of suggested revisions. He also asked that if there were fairness and equity to this philosophy why is it restricted to the Airport.

Commissioner Tsougarakis asked Mr. Johnson if he agreed that making it City-wide would be proper.

Mr. Johnson responded that he was interested in opening up the door. He said that he wanted to wait and see where it was going. He hoped everyone could keep an open mind and make sure that all bidders were protected in the process.

Commissioner Bernstein asked if this item could be put over.

Mr. Turpen said that he would ask Mr. Nardoza to check with the Finance Committee clerk to find out when the item would appear. He asked that the Commission put the vote over until Mr. Nardoza returns with that information.

* * *

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Items 7-9 were unanimously adopted. The following is a verbatim transcript of Item No. 7.

7. Authorization to Conduct Airport Van Service Agreement Pre-Qualification Process

No. 87-0142

Resolution authorizing Director to conduct the pre-qualification process for the Airport Van Service Agreement.

Mr. Turpen: Let me characterize what this is, sir. This authorizes the Airport's staff to conduct the pre-qualification process for the van service agreement. That means to establish a list of persons who would be qualified to bid on the van services agreement. That is the item before the Airports Commission today.

Commissioner Goosby: That's all that's before us. Whether to direct you to go ahead and get a list of people who are qualified.

Mr. Turpen: To bid. Yes, that's correct.

Commissioner Bernstein: Why don't we call on those who have asked to speak. Mr. Clifford Orloff of the Airport Limousine, Airport Connection.

Commissioner Tsougarakis: Mr. President; I would like to remind the speakers of the three minute rule.

Mr. Orloff: I'm urging the Commission to restrict the nature of this contract. This contract started with a van service agreement between the Airport and San Francisco and the justification for the contract was due to upper level roadway congestion. As the contract currently reads it is now a general transportation service agreement which allows vans to operate between the Airport and San Francisco, boarding at the lower level. In addition it allows sales of van, limousine, and scheduled bus services to and from any points in the Bay Area, from Concord to San Jose. The fact that this is labeled as a van service agreement we think has now become a misnomer. We haven't seen or heard any justification for the expanded scope of this proposed agreement. We urge the Commission to go back to the original intent of this contract which is to authorize lower level roadway loading and shared-ride van service between the Airport and San Francisco only. This contract, as it currently reads, basically is a generalized transportation sales booth and lower level roadway loading agreement. We think it's gone way beyond the original intent of the Commission.

Commissioner Fleishell: Have you raised this point with Airport attorneys for the...

Mr. Orloff: We originally raised the point that the contract originally was worded so that the successful bidder would be allowed to operate the shared-ride van service between San Francisco and the Airport and with the approval of the Director that it would be allowed to do a number of other things...sell any kinds of transportation services and operate to other areas. We objected, during the hearing, that that let the Director have total control of the value of this contract because if you could operate outside of the City of San Francisco that changes the value of the contract. The contract was changed to take away the expansion of the scope of operations from the Director's approval to make it an option of the contractor to provide those services. So, we did make an objection and the contract was, instead of restricted back to the original intent, it was expanded to leave the option not at the Director's but at the operator's discretion.

Commissioner Fleishell: But that's what you were complaining about.

Mr. Orloff: We were complaining that this was allowing the operator, at the Director's discretion, to do anything and now it basically just allows the operator to do anything, not at the Director's discretion, and we think that this contract should be a van service agreement between the City of San Francisco and San Francisco Airport.

Commissioner Fleishell: The van service, in your opinion, should be restricted to Airport and San Francisco. Should not be allowed to go to Marin, should not be allowed to go South.

Mr. Orloff: And also it should not allow the sale of scheduled operations; it should not allow the sale of limousine operations which as it currently reads does allow.

Commissioner Fleishell: Is that correct? It allows limousine operations?

Mr. Turpen: From the booth.

Mr. Jerry Copelan, Property Management: This concern had originally been raised as a question of whether those operators that have existing services at the Airport, if they were to bid what would happen to their existing businesses if they were to be the successful bidders. We have worked on this language and I think it's now shown in Attachment II, Item 4, is that the operator's, for example Mr. Orloff's existing bid to the East Bay would be permitted to continue that service however it would be up to the Director's discretion as to where the loading zones would be. So he may be required to load those passengers with scheduled service to the East Bay, possibly upstairs.

Commissioner Fleishell: I have some questions but I think it intrudes into pending litigation and I'd like very much to talk with the attorney or somebody on this because it seems to me that we bid out a contract and give the exclusive limousine business at the Airport...the public thinks that anyway...to one company. They now have sued us and now we have another contract coming through that would...if his statements are correct...permit additional limousine business which may well violate some problems in an earlier agreement. It just seems to me...I thought a month ago we were going to hire a consultant to make sure of all the things we're doing and coordinate. What ever happened to that? It was six weeks ago. We were all asked to supply names.

Mr. Turpen: Are the proposals in, Sheldon?

Mr. Sheldon Fein, Landside Operations: We have the proposals.

Mr. Turpen: As of Friday, I believe.

Mr. Fein: We've gone through the City process. We went out with proposals. We received proposals from eight different companies. We're in the process now of evaluating the lengthy proposals of each one. We should have them in two weeks.

Commissioner Bernstein: When? It's now about six weeks, isn't it.

Commissioner Tsougarakis: He says he's gone through the City process.

Mr. Turpen: We're obligated to use the City process, sir.

Commissioner Tsougarakis: He's gone through the City process in order to come up to the point that they are right now.

Commissioner Fleishell: What is the City process?

Commissioner Tsougarakis: A long one. That's the problem.

Mr. Fein: We had to go through the detailed plans and specs; we had to send copies of it to the City Attorney, down to City Hall to various people; we had the HRC review them; we've got insurance requirements; we've got minority requirements and so forth for this type of contract; we've written the specs, we've sent them out to the companies; they've had two or three weeks to respond to it. We've gotten written proposals from eight companies. We went through 14 companies in addition to the names that we had gotten off of the list from HRC, different companies who could do that type of work at the Airport. On Friday we received all the proposals. Right now we have a group of three people evaluating and rating them. We will come to the Commission with the top three proposals for them to take appropriate action.

Commissioner Tsougarakis: We're straying a little bit afield from the argument.

Commissioner Bernstein: I don't understand it but I guess you do, don't you.

Mr. Orloff: So in conclusion we would like to urge the Commission to...

Commissioner Bernstein: Could you give me that in chronological order, on paper, and would you mind if I made some inquiries. I wouldn't louse up anything but I...

Commissioner Tsougarakis: You probably would.

Commissioner Fleishell: Thank you, very much. Another speaker?

Commissioner Tsougarakis: Who's the next speaker?

Commissioner Bernstein: Thank you, very much. I'm not certain I understood any of it. Robert Jacobs. I have a luncheon date, Bob. Make it short.

Mr. Jacobs: It will be short and to the point. I represent the San Francisco Ground Transportation Coalition. A coalition of limousines, small van operators and companies representing the majority of the taxicabs. I have one point that I wish to stress. In your bid proposal under Attachment I there's an item that says about the vans unloading at designated locations downstairs on the lower level. We feel that coincidentally at this time were the Need and Necessity hearings at the Police Commission. The Police Commission had eight or 10...it was over a dozen points...that they were asking for, including no dead-heading to the Airport, etc. But one of the points was share-ride concept. Now, under the share-ride concept...we have been working with a committee from the Police Commission, representing the Police Commission, and we have reached an agreement on not all of the points but most of them. One that we've reached agreement on is the share-ride concept which has to go

through the approval process and the Commission, and, I imagine the Board of Supervisors. If there's a share-ride concept from San Francisco to the Airport we hope that there will be a share-ride concept from the Airport back to San Francisco. If that is the case with 1600, 1700 cab drivers or maybe a couple of thousand cabdrivers and the 600 odd cabs, that would have a dramatic effect on the need and the expansion of van service. And, part of our proposal was that a line in each terminal or a queue line be set up whereas the queue line for cab passengers be established in each terminal area along with an equitable system for pulling the cabs for the purpose of share-ride. Now, I feel that the share-ride concept will come in and the share-ride concept will have a serious effect on van service; an effect that the cabs can load three people, two people or four, luggage permitting and at competitive rates. We've just received notice yesterday relative to what was coming up in this meeting and I think that the Commission should consider this thing that will have a serious effect on the operation at the Airport with the vans. In addition to that, as you well know, we employ in our industry over 4500 people, from cab drivers to garage men, dispatchers and so forth and the majority, not the minority, are of minority descent and anything that happens to the Airport has a direct bearing on their ability to make a living. Thank you.

Commissioner Fleishell: Could I ask one question? Where are these regulations before the Police Commission now?

Mr. Jacobs: They gave us a list of over a dozen; they set up a Committee of two people, one from the Mayor's Office, one from the Commission. They've met with us on two occasions. I was going down after this was over to see if I can make an arrangement for another meeting. In practicality what we did was negotiate. We said, well, we'll go along with these items and let's say we're not going to approve two or three items and we'll come back and try to get to some agreement on that. I feel that four weeks to eight weeks that it will at least be finalized to where it will come before perhaps the Committee of the Board of Supervisors.

Commissioner Fleishell: The Police Commission first, I believe.

Mr. Jacobs: Yes, the Police Commission first.

Commissioner Fleishell: I ask because it seems to me Mr. Turpen that since, as this speaker says, and as our earlier conversation indicates, what the Police Commission does has a material effect on the Airport and we ought to be participating. The no dead-head, for instance, has a material effect on the Airport.

Mr. Turpen: Yes, sir. But there is some confusion here. I think that what they're addressing is dead-heading from downtown, is it not?

Commissioner Fleishell: That's right.

Mr. Turpen: Excuse me. Not dead-heading. I'm talking about dead-heading and share-ride. I think there's been some confusion here this morning on whether or not we allow share-ride at the Airport, which we have for a lot of years, from the Airport to downtown.

Commissioner Goosby: If the people initiate it themselves.

Mr. Turpen: If the people initiate it themselves, right. I think the Commission understands clearly the amount of curbspace we have at the Airport wouldn't allow the forming of groups out there on the center island in the taxi zones.

Commissioner Bernstein: Realistically we know they don't initiate it. It's a phrase.

Mr. Turpen: Well, but I think we've also offered booths to the taxi companies. Let me ask Sheldon to address it because this has come up four times with a lot of confusion on whether or not the Airport allows share rides from the Airport to downtown. I think that's one issue. The other issue is whether or not downtown allows share rides from downtown to the Airport. That's an entirely different issue and I don't know that that issue necessarily is an issue that we of the Commission should or wants to get involved in. We're talking about Airport originating business as opposed to downtown originating business.

Commissioner Fleishell: I think if you don't get involved you're in a situation where many of the things the Airports Commission wants to do are going to be materially effected by the Police Commission.

Let me just, if I may, get off the subject a little. I talked to Duke Briscoe about a practice that seems to have grown up of cabs at the Airport who get in a short line and they're taking a passenger to Millbrae, they get on 280 and go 90 mph. I have two letters from the President of the State Bar of California saying he refuses to ride the thing any more and we should do something about it. A month ago I talked to Duke. I have not heard about it. The former Chief of Police, Con Murphy, yesterday suggested it might be a good idea to give up the whole concept of short ride. You'll end up getting rid of a lot of people who hang around the Airport and the ordinary attrition...I get a short ride, I get a long ride. It's something we ought to be looking at and that's why it's important to know what the Police Commission's doing so that we have a uniform system. When a cab has a license issued by the Police Commission there's nothing we can do to broaden that license that I'm aware of. In any event, I just want us to know what's going on, that's all.

Mr. Turpen: I think there are two things, sir, with respect to this. The effort being conducted by the Police Commission is really trying to increase the number of cabs that serve downtown. With respect to the short-haul issue, the Commission has labored over that, as you know, repeatedly over the past several years as to whether or not to eliminate the short-haul and deal with the attendant refusal to convey problem, which we are prepared to do, or, to continue with the short-haul and solicit the Highway Patrol's assistance, as we have, to control speeding on the State highway system. We've done both those things. One, we have called the Highway Patrol, we have talked to the Highway Patrol, we've indicated problems we have had with cabs speeding and certainly that is within their purview. The short-haul, if the Commission wishes, we can resurrect again but I think at this point...(interrupted by Commissioner Fleishell)

Commissioner Fleishell: I didn't want to get off the subject that much. I merely wanted to suggest that what the Police Commission does on this subject materially effects the overall ground transportation plan at the Airport, I think.

Mr. Turpen: I guess I don't see it that, sir.

Commissioner Fleishell: Well, if you don't, you don't.

Mr. Jacobs: That's about all I have to say except that I think that a study should be made and perhaps they can call on us to give a little input into the study as we see it from our side.

Commissioner Fleishell: Sure.

Commissioner Tsougarakis: Be assured.

Commissioner Fleishell: Thank you.

Commissioner Tsougarakis: Next speaker.

Commissioner Bernstein: Lou, are you saying that the Police Commission or the Police Department makes a decision that you cannot do a certain thing, that it does not effect us.

Mr. Turpen: It depends on what the decision is. What the Police Commission is working on right now, and I've talked to them, I've talked to the Chief, I've talked to the people in the Mayor's Office who are working on this problem, is they're talking about trying to have more cabs downtown. They're trying to increase the number of cabs that are available downtown. If they put in a rule that says you can't dead-head to the Airport, you have to take a fare out to the Airport, that might, at certain times of the day impact the number of cabs available at the Airport but we've made those times known to them and asked them to recognize the constraint. They've indicated that they will. If they put out another rule which says you can take four people to the Airport from the Hilton, fine. That's great. Maybe that's less congestion so it effects the Airport in a positive way but I don't see it as a terribly negative impact.

We talked to the Police Commission, I talked to the Chief. The people in the Mayor's Office talk to us about their taxicab efforts all the time so if we saw anything that was going to be terribly detrimental to the Airport we certainly would one, express our views on it, and, two, bring it to the Airports Commission. At this point there's nothing that they're saying that has, in my opinion and the opinion of staff, would cause a significant detrimental effect to the Airport that they intend to do. Now don't get me wrong. They've said a lot of things in terms of thoughts and blue sky and a lot of them have gone nowhere and to react to something that goes nowhere is a waste of time.

Commissioner Fleishell: Did you know that ride-share was passed by the Commission once and turned down by the Board of Supervisors. Are you aware of the reasons why it was turned down?

Mr. Turpen: Do you mean from downtown to the Airport?

Commissioner Fleishell: Yes.

Mr. Turpen: No.

Commissioner Fleishell: You ought to inquire. You also know that in other cities where they've tried this most of them have turned it down because you cannot get a cab ride. I don't like to share a cab. When I get off a plane I want to get into a cab. If you have share-a-ride you can't because with the practices in some other cities, when you get downtown they collect a meter from each person. They do it double. They did it recently to a friend of mine from Germany who got the number and so forth.

Commissioner Tsougarakis: It happens in Los Angeles.

Mr. Turpen: One other thing before we go further. That's the limousine thing. Jerry, would you comment on that so we can get the record straight.

Mr. Copelan: I want to clarify one point that Mr. Orloff had mentioned and that was the ability or the rights of the successful bidder in the van service to solicit or sell other services such as limousines from the booth. This is a concept that he had been endeavoring to have included in the specifications for some period of time. I believe his comments are based on a telephone conversation we had just the other day and I have to apologize if I led him to believe that those services would be included. They are not.

Commissioner Fleishell: That's what I wanted to establish.

Commissioner Bernstein: They're not included.

Mr. Turpen: Right.

Commissioner Bernstein: Let's go on with this. Mr. Hall, City Cabs. Please try not to be repetitious. If you have anything else to add...

Mr. Hall: Good morning, Commissioners. I'm a cab driver for City Cab. I wanted to talk on this issue because I feel that continued viability of the cab industry is at stake and the continued viability of my job is at stake. San Francisco, for many years, has seen itself as a tourist city and I believe that requires quality cab service. To serve the tourists not just at the Airport but in the City at large. Any reduction in our ability to go to and from the Airport is going to have an adverse effect on our income and we're going to see a further decline in the quality of the cab drivers because the professional drivers will continue to leave our industry. Now, it's been proposed that we be allowed to have a share-ride system from the Airport and Commissioner Fleishell has had some objections to that. I believe most of them can be addressed by

having proper informational boothing or advertisement at the Airport. We've requested, for some time, the ability to advertise our services in the same way that other ground transportation does within the terminals and we have not been allowed to do that.

Commissioner Fleishell: That's not before us. I don't think share-a-ride is before us. It's not part of the issue.

Mr. Turpen: The issue before the Commission is simply the authorization to screen potential bidders for a van service agreement and what will happen is if the Commission authorizes this today we will send out a notice to the world. Anyone who is interested will send it in and we will evaluate their qualifications and then come back to the Airports Commission with a bid.

Mr. Hall: I understand that Commissioners. It was always our plan to bid for the ground transportation service. My plan, which is at least two years old, is to offer a two-tiered system whereby cab drivers who wanted to serve as single transportation for one party could do so. If they elected to serve as a share-a-ride system they could do that as well.

Commissioner Fleishell: But that's not before us. What you want to do is not before us. What is before us is what the staff has proposed and I guess I'm guilty for getting off the subject by mentioning it. It would be helpful if you'd address what is before us.

Mr. Hall: The issue at stake here is who can qualify for a bid for this contract. We believe that we could certainly qualify for a bid but probably not under the criteria that has been set forward so far.

Commissioner Bernstein: The bids are open for everyone that qualifies. We're not going to eliminate anyone.

Mr. Hall: Thank you so much.

Commissioner Bernstein: Ed Barker, Sunshine Cab Company.

Mr. Barker: I'll pass.

Commissioner Bernstein: Thank you. Oh, here's another friend of mine...Bill Lazar.

Mr. Lazar: My name is Bill Lazar, President of SuperShuttle. When SuperShuttle began operations in San Francisco in October of 1985 one of our initial goals was the development of a successful working relationship between our company and the Airport and I have personally devoted a significant measure of time towards that objective over the last 21 months. I have always presumed that we were supposed to be working jointly to assure the convenience of the traveling public. Certainly, concern for the passenger comfort and convenience has driven SuperShuttle's efforts at the Airport.

In response to the letter we received regarding the memorandum dated June 26 which was received on Thursday of last week we have endeavored to come to some conclusions on some of the conditions that were brought forth in the pre-bidders conference. In Director Turpen's letter of the 26th, the public has demonstrated a desire to look at van services as an alternative mode of transportation. But with the existing attachments, primarily the loading zones of the letter Exhibit I, indicates in our opinion, a further restriction to the consumer. The loading zones are quite a distance from the carousel areas. The consumer now, after obtaining his bags, has to go to the upper levels. Just recently, about two weeks ago, the red and white zones, the ones that SuperShuttle and other van services operate from, have been moved and in PSA's case it's approximately 500 feet from the PSA door. These zones that are located on the lower level indicate a walk of approximately 300 feet from the baggage carousel areas. In our opinion they are not very convenient to the user. It was a question that we brought forth at the pre-bidders hearing about why the zones were changed to an under-utilized area at the Airport to reduce congestion when, in fact, the existing modes of transportation have a beneficial area for loading...the taxis on the outside areas closest to the carousels and the existing bus contractor in front of each of the terminals at the carousel area. It's our feeling that SuperShuttle or any van company that bids this contract should have an opportunity to provide the high level of service to the consumer.

Secondly, on issues regarding the age of the vehicles, it's our information that our vehicles operate about 100,000 miles per year and after three years we take our vehicles out of service and replace them with brand new ones. Those rules were also amended to indicate an age of a vehicle of approximately four to five years on an average basis which, to us, sometimes diffuses the idea of first class service. A vehicle of five years, with 500,000 miles and a number of passengers may not be the first class service that the Airport is looking for. It's our position that this particular item, that these items should continue to be addressed and the Commission should take a hard look at whether or not at this point to go out to pre-qualification of this bid or wait to get some further information regarding some of these areas and clarifications on these issues so that the bidder will have a real good idea of what they're bidding for. I appreciate the time.

Commissioner Bernstein: Thank you, Bill.

Mr. Turpen: Two comments for the Commission. One with respect to the zones. The zones are noted in your Exhibit I of your package. One is adjacent to the South Terminal near PSA; the second is between the South and International Terminals which would be between Delta and Delta's future location in the International Terminal; the third is between the International Terminal and American Airlines; and, the fourth is at the far end of the North Terminal. The walks of 300 feet might be maximum but I see the locations as 1) being optimum from the standpoint of accessibility and yet at the same time also optimizing our ability to move traffic through the terminal complex without the attendant congestion caused by vehicles being parked at the terminal curbs.

The second is the question of age. We clearly heard what people are saying about age. We think four years average with no vehicle older than five is an equitable arrangement and one which will ensure the widest possible participation by qualified applicants and we will continue to recommend that.

Commissioner Fleishell: On the location, I see the map. I can't picture them in my mind. Just generally speaking I just want to express my view that if we're putting something out to bid certainly they should have a much better location than if my wife drives into the Airport and drives up and parks in front of the terminal. We're going to put out contracts where people pay us money; they should get the best space and the average person who drives to the Airport should get the worst space, I think, because we want to discourage that and encourage the use of multiple transportation. I can't picture where they are.

Mr. Turpen: We've looked at that. I think the problem is reaching 30-million people, if you will, potentially who could drive to the Airport versus the contractor with whom we can deal fairly effectively on a day-to-day basis. I don't believe that you can discourage, and we've tried. We've worked very diligently in discouraging the use of private vehicles however that has not materialized. The forces which we can exert to discourage the use of private vehicles haven't been sufficient to discourage their use. They continue to come to the Airport. The zones that we picked recognize other ground transportation as well. We do have a large bus, we do have taxicabs, we do have other types of ground transportation alternatives which are spread out across the entire lower level. To bring everything into the center of the terminal where everybody would like to be is physically impossible, number one, and, number two, would terribly congest the Airport and would allow us not to operate. The locations were picked after very careful thought as to how this could be done with courtyard support in the case of excessive number of vans, which for some operational reason might occur. And we felt that these locations adjacent to the courtyards out of the main stream of traffic flow so that when people exited the terminal buildings they could look to their left or right for vans, across the street for taxicabs and to their left or right for other ground transportation services. So these ground transportation services are spread literally across the entire lower level. These locations were picked simply because they fit with everything else that's going on down there and you can't take them in an abstract sense. I understand that in an abstract sense they appear to be remote but from a practical sense they are not.

Mr. Hall: Commissioner Bernstein, on that one response to the looking left or right...after you exit the PSA terminal you look left once and you cannot look right beyond that point and see a vehicle.

Mr. Turpen: And I might point out for the record that if the Commission will look adjacent to Boarding Area 'A' in the triangle...(changed tape)...

Mr. Marv Gralnick: ...I received it on the 20th, the meeting here is on the 21st. It doesn't give you much time to get some response and go through it. I've heard a number of times today that this is nothing more than pre-bid specs. That they are going to analyze whoever puts them in or whoever the bidders are going to be, they can start in with the process. This has changes in the contract. We don't even have a contract. These are changes to the contract and the taxi industry doesn't have a contract. Incidentally, my name is Marv Gralnick and I'm here representing the San Francisco Taxi Association which represents about 80 percent of the cabs in San Francisco and also DeSoto Cab, I'm the manager. And, I hopefully will get more than three-minutes because I am eliminating a lot of time by having each company come up individually and talk.

I will say one thing, that this represents two things not one. It also has changes here in the contract, and as far as changing the location where the SuperShuttle stands will be, the Director, at any time, according to these changes can change them. That's all they have to do is, hey Lou, we're in the wrong spot. Okay, it's changed. That's the way this is worded.

Commissioner Fleishell: Do you object to that?

Mr. Gralnick: I object to the Director being the dictator at that Airport and just unilaterally without possibly informing the Commission and doing this or doing that. But this contract certainly says that he can change the location himself.

Commissioner Tsougarakis: Do you understand the difference between policy and procedure?

Mr. Gralnick: Well, certainly there is. We certainly are in the middle of meeting with the Mayor's Office and the Police Commission and the Supervisors trying to get this thing rolling to compete at the Airport and to compete with the vans. Right now we have legislation before the Committee that will put it before the Supervisors on the share-ride and the share-ride is indeed an answer to combating some of the van business and we intend to go after this wholeheartedly.

Interior booths...and this is not the whole contract. We don't have the whole contract so we can't really speak intelligently on it. But the changes...it is against the PUC rules and regulations to have a van solicit. This contract calls for solicitation, which is actually illegal. Number two, they are down there right now soliciting; the taxi cabs are operating at a disadvantage at the Airport right now. We are getting \$300 fines for picking up upstairs. The vans are not supposed to solicit; they are soliciting; there are no fines. There is documentation of them going inside the Airport, they have people that are soliciting for them on the curb, gathering all this transportation into the City for the vans and they're actually operating down there with two hands tied behind their back. The cab drops off upstairs, away he goes into the hold lot for one hour, two hours, three hours. These vans have cut into the earnings of over 2500 drivers here in San Francisco and in a lot of cases, owner drivers.

There's talk about hiring an attorney. We have an implied contract with the Airport. We're paying \$1.50 every time one of those cabs goes through. The vans, on a maybe basis, are paying 35¢ every time they make a round upstairs. We have submitted a proposal to the Airport Commission wherein we feel that the way to do this thing at the Airport is to give everybody a break, every van whether he has one van, 10 vans, 200 vans, have a staging area, have them go through the Airport the same as the cabs go through. Pay \$1.50, pay \$2.50, whatever the income should be from that. Stop at a gate, give the ticket out, the same as the cabs do. And that would be the democratic way to operate the Airport as far as vans go rather than singling out one company.

We had one company at the Airport for many years and it never worked out. We had Yellow Cab picking up where nobody could pick up. They had won the contract and eventually the Supervisors instructed the Airport to allow the major companies to pick up and then when Yellow went out of business everybody was allowed to pick up. It's the democratic thing to do.

The soliciting, I don't see how they get away with it now and they're just not enforcing it. As far as rules and regulations at the Airport any different than in San Francisco, that is San Francisco. There are no different rules and regulations at the Airport for group loading than there are in San Francisco. The Police Code determines how a vehicle operator should operate. Refusal to convey is the same in San Francisco as it is at San Francisco Airport. Those are rules laid down by the San Francisco Police Department that were followed through by somebody from the San Francisco Police Department at the Airport years ago and the enforcement of such was done by the Airport Police but the rules themselves come out of the San Francisco Police Code. Refusal to convey, luggage, whatever it's going to be with a cab operator and I can agree with Commissioner Fleishell, there could be individual, when they're group loading, charge each one the same price. It has happened and some of them try to do this. But, that's all you hear about is the one out of a thousand that tries to do this but the 999 that are successfully taken into San Francisco, dropped off and they indeed pay their proportionate share, you don't hear anything about them because they have nothing to complain about.

The fact that we are in the process of negotiating this thing, the fact that we weren't notified enough, the fact that we don't have a contract, I would respectfully ask this Commission to delay, and I agree with the spokesman for SuperShuttle that we agree that we would like a delay in this and we would like a study. There was supposed to have been an impact study for the traffic downstairs. When you're replacing one bus with maybe 30 vans, it seems to me it would create a little problem down there. It wouldn't help a traffic problem. I see where buses have been moved from the inside to the outside as of next month, is that true. The Airport bus has been moved from the inside track to the outside track as of the middle of next month.

Mr. Turpen: There is a test which will go on for a period of two weeks commencing about the 15th of August, relocating the large bus to an underutilized zone on the center island.

Mr. Gralnick: I really hope that a test is run putting some of the cabs upstairs and let them pick up and I think that would eliminate a lot of traffic problems and maybe we could do away with the van contract that we have proposed here.

Commissioner Bernstein: Marv, let's go.

Mr. Gralnick: I would respectfully ask this Commission to delay this, take some good time, get a traffic impact study down below, give the Mayor's Office, give the Police Commission, give the Supervisors a chance to review all this and come up with some answers and then at that time look at the thing.

Commissioner Bernstein: Thank you, Marv.

Commissioner Tsougarakis: Next. Who's the next speaker.

Commissioner Bernstein: Just three more on this. Mr. Robert Franklin, Teamsters.

Mr. Franklin: Yes, Commissioners, I would just like to ask you to postpone any decision on this matter because we did not know about this meeting and I called the Teamsters Joint Council and they were unable to send a representative to this meeting on short notice.

Commissioner Tsougarakis: Are you planning to bid?

Mr. Franklin: Well, clearly this bid is effecting a number of our union members.

Commissioner Tsougarakis: You still have plenty of time. This is only a preliminary.

Mr. Franklin: I'm not in a position to speak on this matter I'm just asking you to postpone this on the basis that we weren't notified. We did not have proper notification.

Commissioner Tsougarakis: Are you planning to bid?

Mr. Franklin: I'm not planning to bid.

Commissioner Bernstein: Mr. Fenyes, Associated Limousines.

Mr. Fenyes: Good morning, Commissioners, I'm going to be very brief because Mr. Gralnick has already said most of the things that I was going to say. I will not bring up any of the issues we have with the San Francisco Ground Transportation Coalition, however, being the Vice President/General Manager at Associated Limousines I would like to mention that we feel that after the bid that we have made and all of the arrangements that we have made for share-ride through the PUC with the assistance of the Airport that should this proposal be accepted and should this van proposal be as it stands right now, we at Associated Limousine feel that this would be in direct breach of our contract at San Francisco Airport.

Commissioner Bernstein: Thank you. Mitchell Rouse.

Mr. Rouse: President Bernstein, members of the Commission, my name is Mitchell Rouse and I'm with SuperShuttle and I would like to just reiterate our objection to the proposed location of the pick up zones for the vans and point out that there are six proposed pick up zones for the Airport bus, the new bus contract, there are six for the taxis, there are four proposed for the van locations. Those four are at the absolute ends of the terminals. As you walk out of the terminals in several of the places you can't even see, because of the curvature of the Airport, the proposed van pick up locations and I feel that if this bid is left as it is and those locations are the bidable item that this may make this contract unbidable.

Commissioner Bernstein: Thank you.

Mr. Turpen: Mr. DePaule:

Mr. DePaule: My name is Andy DePaule of Good Neighbors Airport Shuttle. The thing I want to bring up is when I was here the last time a couple of months back when this was first proposed is that the way it was set up, the only ones who really qualified for it at that time was SuperShuttle and there seems to be a feeling...(interrupted by Commissioner Bernstein)

Commissioner Bernstein: You said the only ones who qualified...

Mr. DePaule: At that time the only ones who qualified under the proposal as qualified bidders was SuperShuttle. Now they have made some adjustments after we had a meeting and the idea of the meeting was to try and adjust to where more people could qualify and there were some slight adjustments made but at this point really nobody qualifies that didn't qualify before. And anybody who was not qualified before the bid still is not qualified to bid. That was my first point.

I think that meeting in a sense was just an exercise in futility because there was no intent on the part of the Airport staff to open this up to a point where everybody could participate. The idea was to keep it as close to the original proposal as possible. But to give the appearance of opening it up.

The other thing I want to suggest is I think it's obvious that this proposal is going to go through pretty much as it's designed and I think it's obviously designed in such a way that SuperShuttle will get it.

Commissioner Bernstein: What do you mean "designed".

Mr. DePaule: I think it's designed in such a way that SuperShuttle is theoretically going to get this contract. I don't personally mind that because I can't afford to bid or to give the Airport 12 percent of my income in order to operate but what I'd like to suggest to make this more fair and level is essentially what you're doing is selling the right to solicit passengers because the winning company, whoever that may be, will get a booth downstairs in each of the terminals. What I'd suggest is that the other companies, which are now told...(interrupted by Commissioner Bernstein)

Commissioner Bernstein: You're losing me someplace along the line. Are you telling us what to do, or threatening us?

Commissioner Tsougarakis: He's expressing his opinion. Let's let him finish and then go on to the next speaker.

Commissioner Bernstein: You've got me in left field and usually I'm not. I'm not that old.

Mr. DePaule: I'm sorry, I might have gotten ahead of you. I didn't mean to. Essentially, whoever wins this contract is going to have to be a large company or corporation.

Commissioner Bernstein: But you told me it's all set, isn't it?

* * *

E. SPECIAL ITEM:

The following item was unanimously adopted.

1. Resolution Naming the Open Courtyard in Boarding Area 'D' in Honor of William K. Coblentz

No. 87-0140

Mr. Lou Turpen, Director, said that at the June 16 Commission meeting the Commission discussed an appropriate way of recognizing the contributions of former Airports Commissioner Bill Coblentz. Staff has conducted a review of alternative sites and recommends that the atrium in Boarding Area 'D' be named in honor of Commissioner Coblentz. He said that the accomplishments of Commissioner Coblentz need no amplification and he is pleased to make the recommendation.

Commissioner Bernstein thought that this honor was well deserved and thanked the Commission of behalf of Commissioner Coblentz.

* * *

F. DIRECTOR'S REPORTS:

2. Boarding Area 'E' Principal Concession - Oral Report

Mr. Turpen said that the Commission established July 1 as a deadline to receive HRC approval of the Airport's principal concession concept for Boarding Area 'E'. Staff is to work with HRC to achieve that end. Absent approval by the Human Rights Commission by July 1 that concession opportunity was to be bid as a straight concession without the principal concession concept. If the HRC approved the principal concession concept as structured by the Commission then staff was to withdraw the bids and rebid it in an amended format. Permission was received from HRC to proceed with the principal concession concept on July 1 however that permission was subsequently withdrawn due to legal considerations. The choices now remaining are to either bid it as a straight concession opportunity as the Commission directed staff, absent HRC approval; or, to take a look at breaking the concession into smaller increments. This was discussed at the March 4, 1986 Airport's Commission meeting at which time the Commission opted to consolidate it into a single bid simply because some of the entities were so small that it was determined that they could not financially stand alone.

Mr. Turpen said that although he has already been given authorization to move ahead he wanted to discuss it with the Commission one more time. Unless the Commission directs him to the contrary he will proceed with a bid for Boarding Area 'E' as a straight concession opportunity under the applicable rules of the City.

Commissioner Stephens asked for an explanation of "straight concession opportunity concession."

Mr. Turpen responded that there were two options. One was the principal concession option with a 30 percent space set aside for minority/women participation; the other opportunity is without a set aside. He explained that the space can either be bid as a block with all of the spaces tied together as a single concessionaire, or, to

Mr. DePaule: Essentially it is.

Commissioner Bernstein: So there's no point in discussing it, is there?

Mr. DePaule: There is a point in discussing some matters.

Commissioner Bernstein: I don't understand what's going on here.

Commissioner Tsougarakis: He represents a small van company and he is saying he doesn't have a chance.

Commissioner Bernstein: That's not what he's saying.

Commissioner Tsougarakis: Yes he is.

Commissioner Bernstein: He's saying it's all set.

Commissioner Fleishell: He has three minutes.

Mr. DePaule: As long as the pre-bid proposal and the qualifications for the bid are like they are now it's pre-set. Whoever wins the contract is going to be allowed to have booths where they can solicit people and we are told that other companies which either did not bid or did not win the bid will be able to continue operating upstairs where it is illegal to solicit passengers. Has the Commission given any thought to the idea of also having a booth downstairs where companies which do not serve from the downstairs can also offer their services to the public by having the people walk upstairs. In other words some level of evenness because obviously only one company can win the bid and that's going to leave six other companies feeling left out.

Commissioner Bernstein: That is obvious, isn't it. Then what's the use in talking about it?

Mr. DePaule: What's the use in having an Airports Commission if you're not going to listen?

Commissioner Bernstein: I'm not going to bother denying it.

Mr. Turpen: That concludes it. I think we ought to go out and pre-qualify the firms and we'll see how many firms qualify to bid.

Mr. Leonoudakis: Mr. Chairman I submitted a card. May I speak on this item.

Mr. Leonoudakis: Commissioner Bernstein, I want to call your attention to the way this item was agendized on your calendar today

and it reads as follows: "Authorization to Conduct Airport Van Service Agreement Pre-qualification Process". That isn't what this item is. This item has two points to it, the first of which is to have you approve the van specifications. When you pass this resolution that is before you it says as follows: "Resolved, that this Commission approves the terms and conditions of the Airport Van Service Agreement." Let me tell you, you've been telling all of us your day will come to object to the terms of the final draft of the van agreement. There's a pre-bid conference, the agreement is placed into a final form. We have not, to this day, seen the final form. This is our time to object. How can we object if we don't have the document.

Commissioner Bernstein: Is he right?

Mr. Turpen: The Airport had two pre-bid conferences on this as well as several meetings. The Commission considered the results of the pre-bid conference on June 16. At that time I told the Commission we were coming back with a request to conduct a pre-qualification of firms. The only reason we haven't done it before now is because of the fact we did not have a Commission meeting in July. When we had the pre-bid conferences I told everybody in attendance there, and the room was full of people who never were notified, that we would go no earlier than June 16, so clearly this is it. What you have before you is the skeletal specs. We have not put in all of the boilerplate and all the standard City language which is in every contract but we rarely do that, if ever. We will do it when we send it out for pre-qualification but we simply don't put in a lot of boilerplate language.

Commissioner Bernstein: You can't do it in advance.

Mr. Turpen: I can put in the boilerplate language but it would make the package very thick and the highlights would be lost in the package.

Commissioner Bernstein: Is Mr. Leonoudakis's contention correct?

Mr. George Wong: I think he's correct in the sense that if Attachment I is the skeleton of the specs.

Commissioner Bernstein: You can't have people vote on it and take skeletons when you're talking about millions of dollars.

Commissioner Tsougarakis: Attachment I covers the main points of the contract. Now, I don't think that anybody that has spoken so far is debating the specific legal language, their debating the main points and those have been made clear and they were made clear at the pre-bid conference. There have been significant changes on the basis of that conference so I don't think that this is a process that has gone on at least for the 2-1/2 years that I've been on this Commission. I don't see anything different than anything we've been doing.

Mr. Turpen: And for the record we always go with a skeletal arrangement for the benefit of the Commission and the public. For us to put

400 pages of legal documents in here for people to sift through would be inappropriate. We think that this form, and I think Commissioner Tsougarakis is absolutely correct, the people who are objecting are objecting to things that are said in this document. In this document we captured in and will be surrounded by boilerplate language as it traditionally is in virtually every contract we put out. Now I can understand if the tactic is to delay, I can understand it. But the point is this has been going on for a year, this has been debated, discussed repeatedly and I think any further procrastination is unwarranted.

Mr. Leonoudakis: Mr. Bernstein, if I might respond. We have been told now, time and time again, we're going to go forward with this part of it. It just moves the bid process ahead. Your time will come to discuss the formal document. And it's not a 200 page document, it's a simple van service agreement. We haven't seen it, the final form, we haven't seen it to this day. All I'm asking is that all of us who have an interest in this item be allowed to intelligently see that final document, review, discuss it among ourselves. Those of us who have parallel points will come here and discuss them with you one at a time as they appear in the very document. To take just a skeletal section of items and say, now let's discuss this is unfair to all the people who are interested. There are many, many other things that will appear in the final document. And I ask you not to approve it today. Send out that final document that is the result of the pre-bid conference so that we all know what we're talking about. Otherwise this, as one of the speakers says, is an act of futility. I don't have that document. I'd like to have it and I'd like to be able to discuss it and I ask just on that one point if the Commission would continue this item until the final document is prepared and sent forward to us.

Mr. Turpen: Mr. President, for the record, complete documentation was handed out at the pre-bid conference, was it not Jerry?

Mr. Leonoudakis: There have been changes made to it though.

Mr. Turpen: Yes, but the changes in the documentation have only been to the point of where the zones might be or things that are captured in this document. Now there have been no other changes.

Commissioner Fleishell: The contract itself that will ultimately go out has been handed out to the intended bidders.

Mr. Leonoudakis: But we do not have it in final form.

Commissioner Fleishell: You can't have it in final form until we approve these changes.

Mr. Turpen: You won't have it in final form until it is signed by everybody and we bid it but that's not the point. The point is clearly that the skeletal document, the document that was handed out, the draft document, the one we intend to use. We can debate whether or not...it's very simple, it's up to the Commission to decide whether or not the Commission wants to proceed or wants to be tied up on a technicality now and in two weeks on a further technicality.

After all, it's only been since 1981 that we've been trying to get the bus bid. We can surpass that record if we try hard enough. I think these are technicalities and I think that at the end of the day we either agree or disagree with the speakers. The speakers have made a series of points on what is clearly contained in Attachment I. I dispute what they've said, I disagree with what they've said and my recommendation to you is to proceed as outlined. If, in fact, the Commission would rather go another way I'm happy to change it and let's proceed, but to put further delay...(interrupted by Commissioner Fleishell)

Commissioner Fleishell: Let me ask you a question. I'm concerned about the location of the pick-up zones. I really am. I just came back from two trips where I had to carry baggage so I'm now aware of the problem. I'd like to move ahead but with some provision that if some of us don't like the way you've located these pick-up points and we want to change them I want the opportunity to change them.

Mr. Turpen: Let me say one thing in response to Commissioner Fleishell, because it's important.

Commissioner Tsougarakis: But you have the option to change, so we could run tests.

Commissioner Fleishell: We always have the option down the line but ...(interrupted by Mr. Turpen)

Mr. Turpen: Technically, Commissioner let me say this, that within this document it says that the loading zones can be changed. It's clearly contractually understood. My commitment to you is if you feel they should be changed at some point, fine, I'll be happy to respond to that positively. However, I do want to point out that the zones are adjacent, if you look, the zones are adjacent to five of the seven boarding areas at the Airport.

Commissioner Fleishell: I don't know, mentally I can't picture them.

Mr. Turpen: Okay, I'll tell you where one is. One is adjacent to PSA, one is adjacent to the new Delta concourse, Boarding Area 'C', which as you know is under construction, it's between the Delta concourse and the International Terminal on the lower level. Remember the old courtyard? Okay, one is between American Airlines and the International Terminal adjacent to where the Commission normally parks. These are not locations which are cast out in the wilderness recognizing something else. This is not to be taken by itself. We have other ground transportation alternatives on the lower level as well. They are competing.

Commissioner Tsougarakis: It's okay. They can be tested. We understand that.

Mr. Turpen: My commitment to you is that this can be changed. If the zones become critical, then we can amend it. At this point my recommendation is to stay with the zones because I think they have been carefully considered. And I would suggest moving ahead.

Commissioner Fleishell: Then I will move the...(interrupted by Mr. Leonoudakis)

Mr. Leonoudakis: May I conclude Commissioner Fleishell. I would like to make one other point, if I might. We are opposed, of course, to any disruption of the current ground transportation set-up until the very study, which you have ordered, on traffic congestion comes before the Commission. You've spent money to have a study made and as you've so often said, Mr. Bernstein, that you would not proceed with this until that study was concluded and I would hope that you wouldn't go any further until the study is in.

Commissioner Bernstein: Steve, but you're using the wrong word. I never used the word destruction. I think a study is in order but it's in order for all of us; for those of us at the Airport as well. It's an ever changing institution, growing and requires change. I'm certain that it requires destruction.

Mr. Leonoudakis: I just feel that you shouldn't go ahead...

Commissioner Bernstein: When you and debate I want to be very careful of my language.

Mr. Leonoudakis: You now have a contracted limousine service down at the lower level, you have a wonderful taxi service at the lower level and you have a bus service. We pay over \$2-million a year to be in the position we're in. You also have on the upper level all of the vans and the rent-a-cars, shuttle buses and the parking shuttle bus, the hotel shuttle buses and they are all operating in harmony now. It's a delicate balance. Why would you want to now take and put the vans downstairs and the large bus on the inner island. That breaches our understanding of implied agreement with the Airport and we've been through that.

Commissioner Bernstein: Steve, I don't want to interrupt but that's an operating problem and that's within the discretion of the Director of the Airport. It is not within the discretion of the Commission. I'm not going to run the Airport.

Mr. Leonoudakis: I'm suggesting that you not approve these specs because of the destruction of that very delicate balance. Let me raise one last point. It's my contention that the bids, and many of us in the industry, this bid is drafted for one van operator. Now let me just...think about this scenario. I am a van operator and I want to bid this contract so I have purchased 50 vans. I'm going to bid lower level against the curb. So I come to you and I say, what am I getting for a minimum of \$200,000 and 12 percent of my gross? You're going to say to me, you get the lower level, curbside location and if it doesn't work too well for you, you can petition the Director of the Airport to be opposite the carousel so that when the people come out with their baggage they'll be there. Now that's what you're going to get. So I'm going to bid. But I ask you...
(interrupted by Mr. Turpen)

Mr. Turpen: That's not what it says, Commissioner, for the record.

Mr. Leonoudakis: I ask you this, I say now if I bid and I am successful, what will happen to the balance of the van competition? Will I still be competing against SuperShuttle upstairs with 62 vans or 80 vans or whatever their number? Incidentally, will you ever limit the number of SuperShuttle vans that can come onto the Airport? Will they one day have 200? Will that be okay with you? But I'm now downstairs and I've paid you my good money. Are they still going to operate upstairs? And I ask that of Mr. Turpen. Will they?

Commissioner Tsougarakis: Yes.

Mr. Leonoudakis: Will the SuperShuttle vans still operate upstairs if I win the van contract downstairs.

Commissioner Tsougarakis: Yes.

Mr. Turpen: They'll operate out of the zone.

Mr. Leonoudakis: And all the other van operators will operate out of the zone. So what are you actually putting out to bid? You've nothing to put out to bid.

Mr. Turpen: Then no one will bid.

Mr. Leonoudakis: There's only one bidder and guess who that is.

Mr. Turpen: You, Mr. Minimum Bus.

Mr. Leonoudakis: SuperShuttle. That's the only bidder. This is a bid package that is designed for...it doesn't fit. And as I say, if I ever saw the final draft I'd be here addressing each point in that final draft. I don't think you ought to go forward with this thing until, number one, we in the ground transportation industry have had a chance to see it; and, number two, you've eliminated every possible competitor by the way the document is drafted. I urge you not to go forward with it today. Thank you.

Commissioner Tsougarakis: You were going to make a motion. .

Commissioner Fleishell: The motion is made, it's pending.

Commissioner Tsougarakis: I'm sorry I didn't hear the motion.

Commissioner Fleishell: Oh. I thought before we discussed it there was a motion made and seconded.

Commissioner Tsougarakis: Right.

Commissioner Bernstein: Do you want to go ahead with the vote with two out.

Commissioner Tsougarakis: If one of us votes against it it just gets delayed.

Commissioner Bernstein: Don't you think it's the sort of thing that everyone should be voting on.

Mr. Turpen: You get to hear all of this again. We have a major market. The marketplace has spoken. There is a demand for a certain type of service.

Commissioner Tsougarakis: ...just the notion of share riding and see how it might effect this and it looks like there will be some effect then come back to us.

Commissioner Fleishell: You mean taxi share riding.

Commissioner Tsougarakis: Yes.

Commissioner Fleishell: Okay. If we move ahead when would the semi-final agreement be done?

Mr. Copelan: Within two weeks it will be ready to be sent out.

Mr. Gralnick: I object to the fact that this contract is to be let out and bid. The term of the agreement says: "one hundred twenty days after award by Commission and ratification by City Board of Supervisors and Mayor; or the date of opening of business to the public from the operating premises, such date as determined in writing by Director..." If the Board of Supervisor's delays on this and it does not get to the Mayor the Airport then sets the date of the term. I urge that the contract must be approved by the Board of Supervisors and signed by the Mayor.

Commissioner Fleishell: This is the law...it must be approved by the Board of Supervisors and the Mayor.

Mr. Gralnick: I ask that it be delayed until the next meeting.

Do you know who owns SuperShuttle? There is a conflict of interest with the owners of SuperShuttle. Who has a share in it?

Commissioner Bernstein: If there is a change it will be reopened.

Mr. Turpen: The Airports Commission will receive a list of qualified bidders resulting from this document. At that time the members of the public are free to comment again. When there is a winning bidder the public can comment once again but at this point there is no reason to impede the process.

8. Bid Call:
Insurance/Business Service Center

No. 87-0143

Request to bid an Insurance/Business Service Center.

9. Declaration of Emergency:
Electrical Cable Failure
Feeder 12 NAAN-1 Contract No. 1975

No. 87-0144

Resolution ratifying the action of the Vice President of the Commission in declaring an emergency in electrical cable failure at the northwest area of the Airport, and directing the Director of Airports to effect the necessary repairs.

Mr. Turpen told the Commission that this is the Chevron item. The Airport has provided Chevron with two back-ups. The problem has been addressed.

* * *

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item 15 was moved to the end of the calendar for discussion and then put over. Items 10 thru 14 and 16 thru 21 were unanimously adopted.

10. Bid Call: Contract No. 1877
Emergency Pavement Repairs (1987-88)

No. 87-0145

Resolution approving the scope, budget and schedule for Contract No. 1877, and authorizing the Director of Airports to call for bids when ready.

11. Bid Call: Contract No. 1977
Replacement of Cable 12BANA-1

No. 87-0146

Resolution approving the scope, budget and schedule for Contract No. 1977 and authorizing the Director of Airports to call for bid when ready.

12. Renew Howard Friedman's Professional Services Contract for Fiscal Year 1987-88 at No Additional Cost. Contract Amendment Extends Term of Contract to June 30, 1988

No. 87-0147

13. Type II Modification for Contract 1410ABCD
South Terminal Complex Reconstruction - Phase I

No. 87-0148

Contract modification to provide

additional work for deficiencies in the plans and specifications, and items due to changes in the scope of work. \$30,677.00

14. Modification No. 2 to Professional Services Agreement - Steve Gregory

No. 87-0149

Modification to agreement with Steve Gregory extending time to June 30, 1988.

Item 15 was put over to the end of the calendar.

15. Resolution Approving Agreement with Littler, Mendelsohn, Fastiff and Tichy - \$50,000

16. \$85,000 Contract with the Museum Society, Fine Arts Museums of San Francisco

No. 87-0150

Contract for \$85,000 with the Museum Society, Fine Arts Museums of San Francisco for the purpose of providing and implementing Temporary Exhibitions at San Francisco International Airport for the FY 1987-88

17. Tenant Improvement:

Qantas Airways Ticket Counter and Office Alterations
T-3286 - No Cost to City

No. 87-0151

18. Tenant Improvement:

U.S. Postal Service Loading Docks and Conveyor Unloading Area
T-3270 - \$250,000 - No Cost to City

No. 87-0152

19. Airport Development Aid Program (ADAP No. 11)
Amendment No. 1 to Grant Agreement

No. 87-0153

Resolution accepting Amendment No. 1 to ADAP No. 11 Grant Agreement and authorizing the Director to execute said Amendment.

20. Statistical Adjustment 1986-87 Joint Use Billings under Lease and Use Agreement

No. 87-0154

Resolution adjusting 1986-87 Joint Use

Billings pursuant to Section 101.W of
the Airline - Lease and Use Agreement
for American Trans Air.

21. Request for Travel/Training Authorization

No. 87-0155

The following item was put over.

15. Resolution Approving Agreement with Littler, Mendelson, Fastiff and
Tichy - \$50,000

Resolution authorizing and directing
Director of Airports to enter into
agreement with the law firm of
Littler, Mendelson, Fastiff and Tichy
to provide advice and counsel with
respect to personnel matters, to
represent management in disciplinary
proceedings and to handle litigation
relating to personnel matters, the
maximum compensation payable under
said agreement not to exceed \$50,000.

Mr. Ed Brody, Plumbers & Steamfitters, said he objected to a lawfirm
being involved in personnel matters. The need for attorneys to be
hired on personnel matters comes few and far between.

Mr. Walter Johnson said that over the years he has been involved in
labor negotiations and he has never come across this. He told the
Commission that this firm is anti-labor and if they are involved in
any negotiations an automatic strike sanction is granted.

Mr. J.B. Martin, Automotive Machinists Union, Local 1305, asked why
the Airport needed outside counsel. He thought the City Attorney's
Office provided legal counsel. He said that the Airport is
escalating costs and the firm being considered is shocking. He said
that automatic strike sanction is given in San Mateo, Alameda and San
Francisco when this firm is involved in negotiations.

Mr. Martin also told the Commission that this firm has been involved
in the filing of frivolous lawsuits. He said that if it is necessary
to hire an outside lawfirm there are many other firms that can be
hired.

Mr. Art Pulaski said that staff must not be aware of this lawfirms
severe reputation. Negotiations that they have been involved in have
resulted in protracted disputes, such as the Oakland teachers strike.

Mr. Pulaski said that this firm has had a court sanction issued
against them.

Mr. John McMahon of the Operating Engineers and Mr. Antonio Salazar
Hobson of Local 790 also objected to the Commission hiring this firm.

Commissioner Fleishell asked that the item be put over until the next
meeting.

Commissioners Tsougarakis and Stephens agreed.

* * *

K. CORRESPONDENCE:

Mr. Turpen introduced a Travel/Training item for three employees to attend a seminar for the maintenance of crash/fire/rescue vehicles in Oshkosh, Wisconsin, at no cost to the City.


The Commission unanimously agreed.

No. 87-0156

* * *

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:58 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

AUGUST 4, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

DON RICHARDS STEPHENS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

August 4, 1987

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Minutes
of the
Airports Commission Meeting

August 4, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

Morris Bernstein, President
J. Edward Fleishell, Vice President
Z. L. Goosby
Athena Tsougarakis

Don Richards Stephens arrived at 9:15 AM

* * *

C. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 87-0157 regarding the settlement of a claim at the closed session of July 21, 1987.

* * *

J. CLOSED SESSION: ,

The meeting recessed at 9:04 AM to go into closed session and reconvened at 9:18 AM.

* * *

D. SPECIAL ITEMS:

Items 1 through 3 were unanimously adopted.

1. Retirement Resolution:
William R. O'Brien

No. 87-0158

2. Retirement Resolution:
James F. McHugh

No. 87-0159

3. Retirement Resolution:
Martin A. Zamlich

No. 87-0160

* * *

E. DIRECTOR'S REPORTS:

4. Report on RIDES Contract

An informational status report on the recently initiated RIDES contract.

Ms. Angela Gittens, Acting Director, told the Commission that the RIDES program would not begin for another four to six weeks.

Commissioner Tsougarakis said that the report indicates that the steering committee consists of representatives from Hertz, Host, PSA, Northwest, USAir, United maintenance operations and the Airport and asked if that was generally the majority of the large employers.

Ms. Gittens responded that it was, as well as those who have parking facilities.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby said that each Commissioner received a letter from the Director of BART concerning that Board's consideration of a BART extension. The Director of BART has requested a meeting with the President of the BART Commission, Mr. Turpen and Commissioner Bernstein. He said that the letter proposed extending BART down to San Jose and eventually as far as Los Angeles. He said that apparently money is not the question at this time, they are simply seeking an endorsement of the concept. He wanted to alert staff that they will be contacted by BART representatives.

Ms. Gittens said she would have the Director contact the Commission.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS, & MAINTENANCE:

Items 5 through 7 were unanimously adopted.

5. Professional Services Contract to Conduct a Study on Ground Transportation at San Francisco International Airport

No. 87-0161

Award of Professional Services Contract, not to exceed \$10,000.00, to

conduct a study on Ground Transportation at San Francisco International Airport.

Commissioner Bernstein asked Ms. Bonnie Nelson if she wished to address the Commission.

Ms. Nelson, Nelson/Nygard, said that her firm is in a joint venture association with DKS Associates of Oakland. Her firm is 100 percent women-owned and based in San Francisco. She said that although her firm does not specialize in airports they do specialize in transportation, specifically transportation operations, and they are very familiar with SFO's transportation problems.

Ms. Nelson said her firm proposes a workshop technique which would bring together the providers, policy-makers and staff people to come to resolution on some of the important issues and develop answers the Commission can support. She felt that this process would result in the most positive step forward.

Ms. Nelson told the Commission that her firm has participated in the HRC process in an attempt to attain recognition and they are willing to work with HRC in order get the points for which they have applied.

Commissioner Bernstein asked Mr. Alex Skabardonis, Vice President of Deakin, Harvey and Skabardonis, if he wished to address the Commission.

Mr. Skabardonis said that this is a complicated problem that combines both planning and traffic engineering and is politically sensitive. He said that his firm has expertise and experience in all of these areas.

Mr. Skabardonis said that he has been in traffic engineering for the last 10-years and has managed large contracts with the FHWA. Greig Harvey, the principle who will do most of the work, chairs the Transportation Research Board, has studied travel demands at MIT and teaches traffic engineering at Stanford.

Mr. Skabardonis said that Elizabeth Deakin is a professor of City Planning at UC Berkeley and is president of the women-owned firm. She was a political appointee to the City of Berkeley and the City of Albany and has expertise in politically-sensitive issues.

Mr. Skabardonis said that his firm is known for delivering high-quality products at a low overhead. He said they propose to do 28 caseworks at the cost proposed by the study.

Mr. Skabardonis told the Commission that his firm proposes a name change from Deakin, Harvey, Skabardonis to Research Analytics but they have not yet received confirmation by the State.

Commissioner Bernstein asked Mr. Peter Mandel of Peat, Marwick, and Main, if he wished to address the Commission.

Mr. Mandel, a manager with Peat, Marwick and Main, said that his firms practice is airport consulting. His fifteen years in airport consulting has entirely been on airport roadways, curb frontage allocation, etc. He has completed similar studies at JFK, LaGuardia, Dallas/Fort Worth, Newark, Miami, Denver and other major airports. His firm believes that its consulting practice can bring to this project a number of unusual opportunities: the experience of its senior staff, himself, Dr. Sherret and Richard Hall, all of whom have over 15 years of experience in airport roadway and curb operations.

Mr. Mandel said that they are located in San Mateo, 15 minutes from the Airport. Their familiarity with SFO and other major airports is the result of similar projects they have completed or now have under way. Because of their familiarity with SFO and the fact that they are doing similar work and have successfully completed projects elsewhere, they believe they can do this without going through a learning curve process. They believe they can get the job done efficiently, on-time and within budget and remain sensitive to the unique aspects of San Francisco.

Mr. Mandel told the Commission that he is chairman of the American Society of Civil Engineers, Landside Operations; secretary of the Transportation Research Committee; and, he recently wrote a chapter in the forthcoming Manual of Airport Landside Capacity.

Commissioner Tsougarakis said that in reading through the RFP's she was impressed with the amount of time each firm was planning to spend on this project. Deakin, Harvey, Skabardonis listed 192 hours; DKS, 120 hours; and, Peat, Marwick, and Main, 100 hours. She said that the levels of expertise seem to be equatable.

Commissioner Tsougarakis made a motion to hire Deakin, Harvey and Skabardonis. Commissioner Goosby seconded the motion. The vote for approval was unanimous.

Commissioner Fleishell asked if the firm included the gentleman who did a similar analysis for the Steve Leonoudakis litigation.

Ms. Gittens said that was correct.

Commissioner Stephens said he would go along with Greig Harvey.

6. Contract No. 1841I
Solicitation for Architectural/Engineering Services
International Terminal Plenum Space Improvement

No. 87-0162

Resolution authorizing Director to begin soliciting qualification statements from Architectural/Engineering firms to provide services for the International Terminal plenum improvement project.

Commissioner Fleishell said that this terminal was just completed and asked why these items weren't taken care of then.

Mr. Dennis Bouey, Deputy Director, Facilities Operations and Maintenance, first told the Commission that the \$290,000 is only for the architect; the work will approximate \$3-million. He explained that this item resulted from a punchlist of items compiled by BPC and Engineering that Engineering felt were unresolved at the completion of the International Terminal. He said he believed it was Jason Yuen's intention to go forward with the contract but due to BPC's goal of completing the South Terminal on-time and on-budget, Engineering has taken on the responsibility. In addition, he said he informed the City Attorney's Office some time ago that he felt this item might be either an error or omission on the part of the architect, Gensler and Associates, and it was his understanding that the City Attorney and BPC were working together to see whether or not

there was a case against Gensler.

Commissioner Fleishell asked why staff wants to move ahead to expend money to correct what might be an error on the architect's part before that determination is made, especially since the architect could absorb the cost.

Commissioner Fleishell said that each Commissioner took a tour of the International Terminal when it opened and made lists of items that needed to be corrected. He said that the Commission never heard anything more about those checklists.

Mr. Bouey responded that his staff went through the terminal and found 400 items needing attention. Out of those 400 items Jason Yuen's group was able to correct about 350. He said that given a different time frame Jason's group would have been able to address the remaining items. He explained that this particular item cannot wait any longer as there are certain pieces of equipment staff must get to. He said that in one case there is a code issue that staff believes involves safety. He said that it's up to the City Attorney's Office to make the determination as to whether or not there is an error or omission and, if there is, to go after Gensler. He said that the alternative is not to do anything and risk the consequences.

Commissioner Fleishell asked Mr. Garibaldi if he agreed that staff should move ahead without first exhausting the possibilities with the Gensler firm.

Mr. Garibaldi responded that staff's problem is that some of these improvements need to be made in order to properly maintain the building. There are problems in the plenum that require immediate attention and staff can't get to them unless this work is done.

Commissioner Fleishell argued that the problem has existed since the day we opened the remodeled International Terminal.

Mr. Garibaldi responded that the problem is more acute than that.

Commissioner Fleishell said he did not want to see the Airport lose any rights. He said that when he joined the Commission nine years ago the Airport was going to sue the North Terminal architect. The opinion was that he could not be sued until he was fired, so he was fired. Nine years have past and he still hasn't been sued.

Mr. Garibaldi responded that the suit is pending. Those types of lawsuits tend to drag on.

Commissioner Stephens said that cases had to be brought to trial within five years.

Mr. Garibaldi said that this case will be brought to trial within the time limit. He explained that there was a stipulation entered into that no suit would be filed so long as that particular architectural firm was rendering service to the Airport. We did not want to be in a position of conflict with the architect so the statute of limitations was waived. The suit was filed about two years ago.

Commissioner Goosby said that if the City Attorney opines that Gensler is liable the Airport will then be reimbursed but the work will already have been done.

Mr. Bouey pointed out that he and Jason Yuen work closely together. Essentially, Jason acts as the builder and he acts as the owner of the building and he does not accept the building until he is

completely satisfied. He said that those 400 items contained minor problems such as a door not being hung right to the problem currently before the Commission. He said that under the best of circumstances, if Jason had not had another project that had to be done on time and on budget these projects would have been completed. He said he did not want to lose out on the statute of limitations and this work has to be done.

Commissioner Goosby said that the International Terminal was completed under budget and asked if the remaining money from that fund had been set aside, and, if so, would the cost of this item bring the International Terminal up to budget.

Mr. Bouey responded that there is money remaining in that bond fund.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, responded that when the project came in under budget the account was closed and the money set aside. That account could be reopened.

Commissioner Goosby asked if we would still be under budget.

Ms. Gittens responded that she would get the answer to Commissioner Goosby.

7. Selection of Law Firm to Handle Airport Personnel Litigation Matters

No. 87-0163

Resolution authorizing and directing the Director of Airports to enter into agreement with a law firm to provide advice and counsel with respect to personnel matters, to represent management in disciplinary proceedings and to handle litigation relating to personnel matters, the maximum compensation payable under said agreement not to exceed \$50,000.

Commissioner Stephens made a motion that the firm of Hanson, Bridgett, Marcus, Vlahos and Rudy be retained to represent the Airport and that the head of the labor relations division of that firm meet with Commissioner Fleishell to discuss any conflicts they might have, as well as staffing.

Commissioner Bernstein agreed.

Commissioner Goosby seconded the motion.

Mr. Art Pulaski, Airport Labor Coalition, recognized the Commission's work towards achieving a positive labor relationship with the unions. He said he appreciated those efforts and thanked the Commission.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

8. Tenant Improvement:

United Airlines First Class Check-In Area
T-3293 - \$50,000 - No Cost to City

No. 87-0164

9. Bid Call: Contract No. 1976
Silt Removal - 1987

No. 87-0165

Resolution approving the scope, budget and schedule for Airport Contract No. 1976 and authorizing the Director of Airports to call for bids when ready.

10. Bid Call: Contract No. 1943
Material & Equipment Replacement, Cable 12AM-1

No. 87-0166

Resolution approving the scope, budget and schedule for Contract No. 1943 and authorizing the Director of Airports to call for bids when ready.

11. Type II Modification: Contract No. 824
Taxiway Centerline Lighting

No. 87-0167

Contract modification of \$73,855.39 to provide for overrun of certain bid items due to changes in the scope of the work. Original Contract Amount: \$1,885,365.00.

12. Close-out Contract 1414AB, Boarding Area 'B' Renovation, and Fix
Final Contract Price at \$19,305,736.63

No. 87-0168

Final modification to close-out contract including adjustments to Bid Items and Force Account payments in accordance with City's administrative code and extension of time for weather delay. Total adjustment: \$198,817.63. Neither City nor contractor has claim against the other.

13. The Parry Contract

No. 87-0169

Contract for the Parry Company to produce four noise impact area contours to be used on the Quarterly Report and at the Airport Roundtable. The contract also provides for the appearances by representatives of the Parry Company to substantiate the noise contours. (\$30,000.00)

14. Extend Roofing Consultant Simpson, Gumpertz and Heger, Inc.'s
Contract to May 30, 1988 at No Additional Cost

No. 87-0170

15. Naming of Road R-2 and Renumbering of Airport Buildings

No. 87-0171

16. Approval of Claims Settlement

No. 87-0172

Resolution approving the settlement of claims not exceeding \$2,500.00 for the period January to June, 1987. Total Claims: \$5,780.36

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:45 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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AUGUST 18, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

DON RICHARDS STEPHENS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Airports Commission

August 18, 1987

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Minutes
of the
Airports Commission Meeting

August 18, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President
	J. Edward Fleishell, Vice President
	Z. L. Goosby
	Athena Tsougarakis
	Don Richards Stephens

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 21, 1987 were adopted by order of the Commission President.

No. 87-0173

* * *

D. DIRECTOR'S REPORTS:

1. Progress Report on the I-380 Highway Construction Program

This is a six-month update of the I-380 construction status.

Mr. Lou Turpen, Airport Director, said that the I-380 interchange program is coming to conclusion and within the next three months the direct access to I-380 and the direct access from I-380 onto the Airport will be completed. CalTrans will have a ribbon-cutting ceremony to commemorate the completion of the project.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Stephens said that he does not have a clear understanding of the noise abatement information the Commission has been receiving. He

asked staff to prepare a brief memo explaining the reasons for it, what's been done, what kind of reaction we are currently getting and what kind of reaction we expect to get from the FAA. He then asked for a synopsis of the mail that has been received both for and against it.

Commissioner Goosby agreed.

Mr. Turpen asked Commissioner Stephens if he was referring to the specific dispute with the FAA or the noise regulation.

Commissioner Stephens said he was referring to the noise regulation. He asked if the Commission could receive the memo before the next meeting.

Mr. Turpen responded that the comment period has been closed so staff could present it to the Commission at the first meeting in September.

Commissioner Stephens said it was not necessary to place it on the agenda.

Mr. Turpen said an informal memo would be prepared.

* * *

F. POLICY:

The following item was unanimously adopted as amended.

2. Recommended Policy Changes for Commission Agenda Items

No. 87-0174

Mr. Turpen said that this matter was brought before the Commission at the suggestion of Commissioner Stephens who asked him to review some of the more routine matters that were coming before the Commission. He said that the items staff is proposing in this policy do not have to come before the Commission as routine matters. He said it was a different matter when the Airport was involved in the major part of its development program but at this time most of the items before the Commission are fairly straightforward. In the interest of becoming more efficient that these items could be deleted from the routine Commission calendar. He said that the Commission can accept all or any part of these items.

Commissioner Goosby said he did not have a serious problem with the first five items, although he felt that all information should be available to the Commission, but he disagreed with item six, the routine concession contracts. He said that this is the Commission's only input in the entire bid process.

Commissioner Stephens agreed with what has been presented but what he really wants to see is the most important and controversial items placed first in the event a Commissioner must leave the meeting. He said he agreed as long as the Commission continues to receive the same amount of information on concessions and on items the Commission passes by consent. In that way Commissioners will still be able to comment and express their concerns.

Commissioner Goosby asked that item 6 be removed from the resolution.

The Commission agreed.

Mr. Turpen told the Commission that there are two classes of concession activity at the Airport, those that demand a lot of

attention and those that are routine, i.e. where an existing concession is being bid again under the same terms and conditions. It is those routine items that will fall under category six.

Commissioner Tsougarakis suggested a routine report on those matters that will no longer appear before the Commission.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was adopted as amended by a 3-2 vote with Commissioners Goosby and Tsougarakis casting the dissenting votes.

3. Waiver of Conflict of Interest of Hanson, Bridgett, Marcus, Vlahos & Rudy Law Firm

No. 87-0175

Commission to consider the waiver of a Conflict of Interest in hiring of Hanson, Bridgett, Marcus, Vlahos & Rudy.

Commissioner Fleishell said that at the last meeting he was asked to investigate this firm's conflicts. He talked to the firm and to Mr. Garibaldi and apparently the only technical conflict this firm has is that they handle labor relations for one of Mr. Leonoudakis's bus companies and that, in itself, is not a true conflict of interest. He said that this type of conflict is not unusual. Commissioner Fleishell said that Mr. Garibaldi did not feel that this conflict presented an impediment and he moved that the conflict be waived.

Mr. Garibaldi said that the Airport received another letter from the firm indicating that there were several conflicts.

Commissioner Fleishell asked if that letter caused Mr. Garibaldi to change his feelings.

Mr. Garibaldi responded that it is still a conflict and it is up to the Commission to decide whether or not it should be waived. The other conflict is their representation of the City of Mountain View in a suit against the City and County of San Francisco and the sanitary land fill. He explained that the firm discovered this conflict after they wrote the first letter.

Commissioner Stephens said that large firms have conflicts. A firm like Hanson, Bridgett is not going to compromise themselves by allowing a conflict to get in the way of good representation.

Commissioner Tsougarakis said that she wouldn't argue the point but she felt that if we don't address this issue now and we run into problems with these lawsuits it will look bad. She said it isn't that there's anything wrong with the law firm, it's the notion that these conflicts have arisen and we are likely to get nailed.

Commissioner Tsougarakis asked how much trouble this L.A. law firm was and if this was worth it.

Mr. Turpen responded that the L.A. law firm was not working out. Those reasons have already been discussed with the Commission. Three other firms were looked at and one of those firms was of some concern to the community. That firm was withdrawn and staff made a recommendation on the remaining two firms. He said he was not qualified to comment on this specific firm.

Commissioner Goosby said that this firm was not one of the remaining two.

Mr. Turpen said that it was not. He said he has looked at the information concerning the waiver and has talked to the City Attorney about it. He recommends going with another firm due to Hanson, Bridgett's involvement in the prevailing wage development and the fact that they represent SFO Airporter. He explained that the firm we engage is going to be involved in Airport Police discipline and the Police deal with SFO Airporter. Lastly, the fact that they are involved in a lawsuit against the City and County of San Francisco further suggests that there is no reason to pursue this firm when there are other firms that are equally qualified. He added that the City Attorney has interviewed those firms and determined that they do not have an apparent conflict.

Commissioner Fleishell asked who the other firms were.

Mr. Garibaldi said that they are Witmore and Kay, a Palo Alto based firm that does public agency employment-type work exclusively, and, Corbett and Cain, a San Francisco firm also handling employment-type work. He said that their principle client is the University of California.

Commissioner Goosby said that these two firms were on the original list. The third firm on that list was rejected due to union opposition.

Commissioner Stephens said that he would be in favor of approving this firm with the stipulation that the Commission does not want any of the lawyers who are working on either the SFO Airporter case, the Mountain View case, or any other conflict to work on our issue.

Commissioner Goosby said that even before he read this latest letter from the City Attorney he felt that there were too many conflicts or possible conflicts for him to approve this firm. On the basis of principle alone he felt that this Commission would look as if it were not protecting the rights of the Airport, inspite of what the law firm claims. He said that they are not the only firm in town and felt it would be better if the Commission found another firm. He said he would vote against the waiver.

Commissioner Tsougarakis felt that the Commission would regret this.

Commissioner Bernstein asked Mr. Garibaldi if there was a conflict.

Mr. Garibaldi responded that there were several conflicts, as Hanson, Bridgett pointed out in their correspondence.

Commissioner Bernstein asked what the City Attorney recommended.

Mr. Garibaldi responded that his office does not recommend outside law firms. He explained that there are conflicts that the Commission is free to waive or not waive, as they see fit.

Commissioner Goosby said that George Agnost used to go out of his way to recommend an outside firm and the Commission would take offense.

Commissioner Fleishell said that Mr. Garibaldi told him that this was a technical conflict but not a real conflict and could be waived so for that reason he went along it.

Mr. Garibaldi responded that that conversation took place before the letters were received. He said that what Commissioner Fleishell

described to him was a conflict but not a major one. The letter that was subsequently received had more detail than their conversation revealed.

Commissioner Tsougarakis said she had a problem with hiring a law firm who is representing someone suing the City. She did not understand how a law firm could represent both sides.

Commissioner Fleishell said that the Airport has already hired several law firms who have sued the City while representing us.

Commissioner Tsougarakis said she would like to know about it if that has happened.

Commissioner Bernstein said he does not want to see a 3-2 vote on this issue.

Commissioner Goosby said it looks bad to the public to see a Commission bend over backwards this way to accept this firm when there are other firms available that have no conflicts.

Commissioner Bernstein asked if this item could be put over for two weeks.

Mr. Turpen responded that it has already been put over for four weeks. There are legal matters pending and it would be helpful to move this item.

Commissioner Tsougarakis said that if the Commission votes against it staff won't be able to proceed anyway.

Mr. Turpen responded that the Commission can always select one of the two firms recommended by staff.

Commissioner Tsougarakis said she would ask for this same statement from any other firm.

Mr. Garibaldi told the Commission that staff has talked to the other firms and they have not indicated any conflicts.

Commissioner Fleishell said that staff talked to this firm and they had not indicated any conflict either.

Mr. Garibaldi said that he talked to the firm and they were not aware of any conflicts.

Commissioner Fleishell asked who produced their name. .

Commissioner Tsougarakis said that the Commission produced the name.

Commissioner Fleishell said that staff interviewed them.

Mr. Garibaldi said that he talked to the labor side of the firm and they were not aware of any conflict. It became apparent that there was a conflict at the Commission meeting and that is why the motion was made directing Commissioner Fleishell to check with the firm to determine if there was a conflict and, if so, what the nature of it was. He said that the letters from the firm were received after the last Commission meeting.

Commissioner Fleishell said that there should be a policy that requires any law firm interviewed by the City Attorney to submit a written statement indicating that no conflicts exist.

Commissioner Bernstein asked that this item be put over for two weeks.

Commissioner Stephens asked what will happen in two weeks to change this.

Commissioner Bernstein responded that he did not want to see a split vote and he wanted to satisfy himself on this issue.

Commissioner Tsougarakis said she would like to see a resolution with the name of another firm.

Commissioner Goosby agreed with Commissioner Tsougarakis.

Mr. Turpen said that the last resolution presented to the Commission offered the names of three law firms, two of which have been interviewed by the City Attorney and both are acceptable to the City Attorney and the Airport staff. He said that any of the firms would have been acceptable but staff did select one and recommended it to the Commission. He said he did not know how this firm's name came up.

Commissioner Tsougarakis said she did not know either.

Commissioner Goosby asked if this firm was on the original list submitted to the Commission and, if not, how it came to the Commission.

Commissioner Tsougarakis thought it came from the Commission.

Mr. Garibaldi said that he thought the firm might have been one of a long list of firms but had not been interviewed.

Commissioner Goosby said he did not see any point in putting it over. Chief Driscoll can't move on his personnel matters until a decision is made. He felt it was important to move ahead and said he would abide by the decision of the Commission, with no hard feelings.

Mr. Garibaldi said that the understanding is that the resolution is amended to include the conflict statement.

Commissioner Bernstein asked if there was any way of checking these conflicts in advance.

Mr. Garibaldi responded that in the future he will get firms to state any conflicts that they are aware of as soon as possible.

Commissioner Stephens added that it should also be stipulated that they have different lawyers working on our case.

Items 4 and 5 were unanimously adopted.

4. Electronic Security Door System Project - \$2-Million

No. 87-0176

Resolution authorizing the addition of the Electronic Security Door System Project to the Airport's Five-Year Capital Projects Plan.

Mr. Turpen said that this is part of the Airport's overall security enhancement program. It involves an electronic security system for a significant number of doors which lead from the terminal area onto the airfield.

Mr. Dennis Bouey, Deputy Director, Facilities Operations and Maintenance, said that there are 140 such doors.

Mr. Turpen said that the program has been reviewed repeatedly with the airlines and although they have indicated some concern they have agreed to it. Staff feels it is an important program for the future. With the number of field access points in the terminals it is important that we have an effective way of monitoring them.

Mr. Bouey explained that each employee will be given a card containing a microchip which will be programed to open only certain doors during certain hours. It will also have an anti-pass back feature, which means that only one person can go through the door on that key. The current system is a combination lock which some employees write on the walls. He said that he has a painter who does nothing but paint out combinations that people are too lazy to remember. All security doors currently have panic hardware but if someone breaches these doors we have no idea of who is actually out on the airfield. With the new system, in the event a security door is breached a closed circuit television will track that individual.

Commissioner Stephens presumed that if someone is fired from the Airport their card can be deactivated.

Mr. Bouey said that even if the employee does not return the card it will simply be keyed out and will no longer be read by the computer. He said that the system will also read false feeds, meaning that if someone attempts to use the card at an unauthorized time or place the computer will run a program and tell us to whom the card belongs.

Commissioner Goosby asked if this was being funded through a bond fund.

Mr. Bouey responded that that is generally true of all the projects his division handles, however, a substantial portion, including this project, are funded by AIP or ADAP grants. In this case, the front money is bond money and the Airport gets 75% of it back.

Commissioner Goosby remarked that the FAA is holding up grant money.

Mr. Turpen responded that the airlines will then foot the bill.

Commissioner Goosby asked if the airlines realized this when they granted their approval.

Mr. Turpen said that they have already fronted the money. He explained that the FAA only deals with reimbursement so the Airport must generate the revenue before any reimbursement is received.

Mr. Bouey mentioned that if we don't get these funds he will have to reevaluate a substantial portion of the Airport's Five Year Plan and this might be one of the projects to be shelved. He said that his staff presents projects amounting to \$60-\$70-million worth of work. He pares that list down and then it goes to the Airline Affairs Committee where it is again pared down. By the time it appears before the Commission it has already gone through several reviews.

5. Tenant Improvement:

Hilton Renovation and Landscaping

Plot 2 - T-3297 - \$2.4-Million - \$300,000 - Rental Credit

No. 87-0177

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

6. Retirement Resolution:
James W. Jenkins

No. 87-0178

7. Modification of Professional Services Agreement
Sequoia Analytical Laboratory, Inc.

No. 87-0179

Resolution modifying the contract amount from \$25,000 to \$45,000; an increase of \$20,000; to cover increased work load.

8. Resolution Approving Sublease by Pan American World Airways to
Pacific Southwest Airlines

No. 87-0180

Resolution approving the sublease of a portion of Plot 1C, by Pan American World Airways to Pacific Southwest Airlines.

9. Resolution Exercising Options and Establishing New Rental Rates -
Plots 12, 12A and 12B

No. 87-0181
No. 87-0182

Resolutions exercising options and establishing new rental rates for Airport Plots 12 and 12B, lease PUC 67-0214; and Airport Plot 12A, lease PUC 67-0980.

10. Travel/Training Authorization

No. 87-0183

* * *

I. PUBLIC HEARING:

The public hearing was opened at 9:32 AM and closed at 9:33 AM, there being no public comment.

11. Public Hearing: Fiscal Year 1987/88 Rates and Charges

Public Hearing concerning the establishment of (1) terminal rental rates and (2) commercial and general

aviation landing fee rates for Fiscal
Year 1987-88 and beyond.

* * *

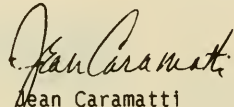
J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the
meeting adjourned at 9:34 AM to go into closed session.


Jean Caramatti
Commission Secretary

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MINUTES

SEPTEMBER 1, 1987

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LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Airports Commission

September 1, 1987

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Minutes
of the
Airports Commission Meeting

September 1, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President
	J. Edward Fleishell, Vice President
	Z. L. Goosby
	Athena Tsougarakis
	Don Richards Stephens

* * *

C. ADOPTION OF MINUTES:

The minutes of the following regular meetings were adopted by order of the Commission President:

No. 87-0184	August 4, 1987
No. 87-0185	August 18, 1987

* * *

D. DIRECTOR'S REPORTS:

1. Report on Regional Planning Committee/Airport Land Use Commission Meeting on Working Paper 'A', Master Plan - Oral Report

Mr. Lou Turpen, Airport Director, told the Commission that there was a public meeting sponsored by the San Mateo Regional Planning Committee and the Airport Land Use Commission concerning the Master Plan, Working Paper 'A', the forecast paper to which the Commission was previously exposed. He said that the meeting lacked a quorum as only eight of the 21 agencies were represented (Brisbane, Daly City, Foster City, Menlo Park, Millbrae, Pacifica, San Bruno and San Mateo County.) Fifteen people of the 30 present offered comments; seven comments were about noise, four were about ground transportation, four were about the validity of the forecasts and two were about the West of Bayshore property. He said that the public's comments were positive and staff will review and distill them for insertion into the next quarterly report. Staff will go back before the RPC/ALUC at each benchmark date after review with the Airport.

Commissioner Goosby asked who commented about the West of Bayshore.

Mr. Turpen responded that one came from a private citizen and the other was the City of Millbrae.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

Items 2 through 7 were called together and unanimously adopted. Item No. 3 received the only comments.

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

2. Award of Contract No. 1427:

McDonnell Road

Reconstruction and Traffic Signals Installation

No. 87-0186

Resolution awarding Contract No. 1427 to Ghilotti Bros., Inc., in the amount of \$1,082,445.00.

3. Approval of Easement Agreement - U.S. Coast Guard

No. 87-0187

Commissioner Goosby said that the bidders did not object to all bids being rejected as all the bids were over the budget.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

4. Adoption of Fiscal Year 1987/88 Rates and Charges

No. 87-0188

Resolution authorizing the establishment of (1) terminal rental rates, and (2) commercial and general aviation landing fee rates for Fiscal Year 1987/88 and beyond. Resolution also authorizes a \$5,700,000 supplemental appropriation from unappropriated surplus to the operating fund, as required by the Lease and Use Agreement.

5. Rejection of All Bids:

Contract No. 1976 - Silt Removal - 1987

No. 87-0189

Resolution rejecting the three bids received for Contract No. 1976.

6. Award of Contract No. 1557:
Extension of Taxiway 'M' and Overlay of Taxiway 'F'

No. 87-0190

Resolution awarding Contract No. 1577
to O'Grady Paving, Inc., in the amount
of \$1,528,750.00.

7. Award of Contract No. 1877:
Emergency Pavement Repairs 1987/88

No. 87-0191

Resolution awarding Contract No. 1877
to Lowrie Paving Co., Inc., in the
amount of \$132,000.00.

* * *

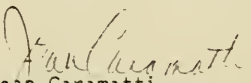
H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the
meeting adjourned at 9:05 AM to go into closed session.


Jean Caramatti
Commission Secretary

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MINUTES

SEPTEMBER 15, 1987

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LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

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Airports Commission

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Minutes
of the
Airports Commission Meeting
September 15, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President J. Edward Fleishell, Vice President Z. L. Goosby Athena Tsougarakis
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Absent:	Don Richards Stephens
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* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 1, 1987 were adopted by order of the Commission President.

No. 87-0202

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 87-0192 regarding the settlement of a claim at the closed session of September 1, 1987 and resolution no. 87-0193 instructing legal counsel to reject the settlement offer of the Federal Aviation Administration at the closed session of September 10, 1987.

* * *

E. SPECIAL ITEM:

1. Election of Officers

Commissioners Tsougarakis moved the nomination of Commissioner Morris

Bernstein as President. Commissioner Goosby amended the motion to include the nomination of Commissioner J. Edward Fleishell as Vice President.

The vote to elect Commissioner Morris Bernstein as President and Commissioner J. Edward Fleishell as Vice President was unanimous.

No. 87-0194

* * *

F. DIRECTOR'S REPORTS:

2. Ground Transportation Consultant - Verbal Report

Ms. Angela Gittens, Acting Director, told the Commission that the contract for the Ground Transportation Consultant will be certified within a few days. She said that Mr. Grieg Harvey has met with Commissioner Bernstein and will be contacting each Commissioner individually to get their views and will also set up meetings with the various ground transportation operators at the Airport.

3. Termination of Shoeshine Concession, International Terminal

Report on termination of Use and Space Permit for William Davis Shoeshine operation in International Terminal Building.

Commissioner Bernstein said that he felt that there was room at the Airport for six or eight individually-owned shoeshine concessions. He suggested that those stands could be under staff's supervision so they would be done properly.

Ms. Gittens said that the issue here is that passengers who are embarking on an overseas flight are not interested in getting thier shoes shined. The operator currently pays the owner \$15.00 a day yet he only serves 15-25 customers in a day.

Ms. Gittens reminded the Commission that there is a shoe shine service in the Barber Shop located in the North Connector. If the Commission wants individual stands, they will have to be located in the North and the South Terminals. She said that perhaps the next time they come up for rebidding they can be done on an individual basis.

Commissioner Bernstein thought that the Airport might be asking for too much money.

Commissioner Fleishell said that the Airport should require a minority owner to operate his own business; we should not be allowing an absentee ownership situation. He also complained that the labor contractor pays his employees a percentage, not wages, so they have no social security benefits.

Commissioner Fleishell did not feel a passenger would get a great shoe shine for \$3.50. In any event, passengers coming in from overseas are not looking for a shoeshine, they are either going home or to another terminal to catch a connecting flight. He felt it was a mistake to install a shoeshine stand in the International Terminal

in the first place and that terminating the lease seems to make sense.

Commissioner Fleishell asked that in the future the stand be owner-operated.

Ms. Gittens told Commissioner Fleishell that staff did require the owner to operate the stand in the South Terminal but got the clear indication at the pre-bid conference that there would not be any bids under that concept. She said that staff could try it again next time.

Commissioner Bernstein asked what the charge was for a shoe shine at the Airport.

Ms. Gittens responded that it was anywhere from \$3.00 to \$3.50. She added that staff has received letters complimenting our shoeshine operations.

Commissioner Fleishell said that many of the things we do at the Airport are done to provide a service to the public and a shoe shine stand is a service. The Airport should consider giving it to the man who shines the shoes at a very modest rent. He felt the operator would work harder, reduce the cost and get more business.

4. Electronic Information Service - Teleguide

Annual report on the Teleguide
Information System at the Airport.

Ms. Gittens said that the Commission asked staff to report back in September with an update on Teleguide and "You Are Here" services. Although Teleguide has been sold to GTE, they are still providing the service. The Airport received very high ratings in the last passenger survey on the question of finding your way around the Airport. She also stated that Airport maps are provided in addition to the Teleguide service.

Ms. Gittens said that the issue is that the South Terminal's newly renovated areas do not have Teleguide services. Although she was not certain, she thought it would cost about \$70,000 to install the system throughout that terminal. They are looking for approval from the Commission to move ahead.

Commissioner Fleishell moved Option One.

Commissioner Goosby agreed.

Commissioner Tsougarakis asked how soon it would be before Teleguide introduced the "You Are Here" map.

Ms. Gittens responded that it is ready in the home office and looks very good the way it is set up. She did not know how long it will take to install.

Mr. Peter Nardoza, Assistant Deputy Director, Business and Finance, responded that the system is ready and he believed it would take a matter of days.

Commissioner Goosby asked why Teleguide continued to operate when they were losing money.

Mr. Nardoza responded that a number of companies in the field believe that although they operate at a loss at this point, the future holds

potential. Such machines will eventually be found in hotel rooms where a tourist or a business person would be able to find out about plane reservations, theater tickets, etc. simply by using that machine. In that way the system begins to generate greater revenue. In this particular case GTE has folded the Teleguide operation into other information services that they provide so the loss suffered by the Teleguide system is subvented by the money that they make in other communication systems. They firmly believe that at some point down the road this will make money.

Commissioner Fleishell said that the price of their ads is dependent upon the number of monitors they have in existence. He said that they have met resistance in the hotels because many of the services they offer are sold by the concierge and this would put the concierge out of business.

Commissioner Fleishell said that they would be happy to put their machines in for free. He explained that the ad price for a newspaper is based on circulation; Teleguide's ad price is based on the number of monitors.

Commissioner Tsougarakis said that Teleguide machines are in the Embarcadero area and are frequently used.

Commissioner Fleishell called for a vote.

Commissioner Goosby asked that a resolution be brought back before the Commission approving Option One, not wanting to break a precedent and vote on a Director's Report.

Ms. Gittens said that a resolution will be placed on the Consent Calendar at the next Commission meeting.

* * *

G. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

H. PENDING LEGISLATION:

5. Report on SB 1067 - Verbal Report

Ms. Gittens said that SB 1067, introduced by Petris, proposes the prohibition of smoking on all intra-state bus, train and airplane trips. The bill further requires that 75 percent of all waiting areas in the Airport or other transportation terminals be designated as non-smoking. It also prohibits smoking on ticket lines and will require signs to that effect. She said that the Airport did not have an opportunity to take a position on this. It was passed by the Legislature and as of yesterday it was awaiting action by the Governor. The ATA is undertaking a last minute campaign to get this bill killed at the Governor's level.

Commissioner Fleishell said that there was another bill on the Governor's desk limiting the right to hold executive sessions and asked if the Airport took a position on that.

Mr. Don Garibaldi, Airports General Counsel, responded that he thought the City as a whole may have taken a position on it but not the Airports Commission individually.

Commissioner Goosby asked if the City lobbyist has been asked to send copies of bills being sent to other City departments to the Airport so that we can be kept up to date with what is being communicated to the City.

Ms. Gittens said that the Airport receives many of the bills but not all of them. The lobbyist tries to look at what would be of interest to the Airport.

Commissioner Fleishell said that the Commission's new lobbyist was hired solely for the purpose of dealing with the underground tank issue; he was not hired to deal with other legislative issues.

Commissioner Goosby said that if the lobbyist is communicating with the City, the Airport should be notified as well.

Commissioner Tsougarakis asked if there was any way of determining the cost to the Airport in the event the Governor signs SB 1067

Ms. Gittens did not think there would be any cost to the Airport. This bill simply designates non-smoking areas in the waiting areas and ticket lines and will require signs to that effect. Currently, less than 75 percent of the space is designated for non-smoking.

Commissioner Goosby asked what restrictions would be added to the Brown Act. He indicated that he probably would have no objections.

Ms. Gittens, referring back to SB 1067, said that the ATA would like the Airport to take a position in opposition to it. Staff has indicated that that would probably not happen.

Commissioner Goosby said he would be in favor of the restriction.

Commissioner Fleishell, referring back to the Brown Act, said that last year a bill was proposed which would modify the Brown Act and limit closed session discussions to pending litigation and prohibit discussions on potential litigation. He said that Ed Gerber called him the day before the hearing and they were able to get the bill amended. He said he called the Speaker and the Chairman of the Judiciary Committee, both of whom practice administrative law. He told them they would no longer be able to represent housing authorities and agencies to advise them of moves that must be made to prevent litigation. He said that a similar bill came down this year but he did not know the result. He asked that a copy of that bill be sent to each member of the Commission.

Ms. Gittens said that SB 633, introduced by Rogers, amends the State code to require that two members of the Airport Land Use Commission have an expertise in aviation rather than specifying that two members represent airports. That bill has been passed by the Legislature and is awaiting action by the Governor. Although the Commission's vote to oppose this legislation was forwarded to the Mayor's Legislative Committee, they never took any action on it.

Commissioner Fleishell said that Quentin Kopp co-authored the bill.

* * *

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following item was unanimously adopted.

6. Resolution Awarding Boarding area 'E' Retail Concession Lease

No. 87-0195 Resolution awarding the Boarding Area
'E' Retail Concession Lease to Duty
Free Shoppers Limited Partnership.

Ms. Gittens said that staff has been working on this since February, 1986. The highest bidder was Duty Free Shoppers at \$1.34-million. They have been certified by the Human Rights Commission for an LBE preference. There were no minority or women business requirements in this last version of the bid package.

Commissioner Goosby said that they must still conform to the HRC's hiring policy and they can operate all four areas as they see fit. He said that the Commission should send Duty Free a congratulatory letter indicating that the Commission hoped, in keeping with the City's ordinance and the Commission's policies, that Duty Free would try to sublease some of the space to minority/women vendors. If the Commission was reluctant to send such a letter he would send it as an individual. He said that Duty Free's representatives have been to enough of these meetings to know what the Commission would like to see.

Commissioner Goosby said that Duty Free voluntarily tried to do this when they won the principle concession in the North Terminal. They tried to accommodate the City and its ethnic balance in dividing those slots. He wanted to thank them for doing it then, congratulate them for winning the award and urge Duty Free to involve themselves in this type of consideration and implementation.

★ ★ ★

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

7. \$1,076,860 Supplemental Appropriation to Increase the Fiscal Year
1986/87 Annual Service Payment

87-0196	Authorization to request a \$1,076,860 supplemental appropriation from the Mayor to increase the annual service payment due to increased concession revenues.
---------	---

8. Award of Airport Contract No.1976R
Silt Removal - 1987

No. 87-0197 Resolution awarding Contract No. 1976R

9. Extension of Professional Services Agreement with Marquis/Wong & Brocchini Associates for the Reconstruction of South Terminal

No. 87-0198 Under terms of the contract,
Commission has option to extend

contract for 12 months to December 31, 1988. Extension is required for services during close-out of project, and for punch list and warranty work - \$56,000 budget.

10. Amendment No. 1 to Professional Services Agreement with Del Campo & Maru, Architects, to Provide Additional Services for Delta's Facilities at Boarding Area 'C' - No Cost to Airport

No. 87-0199

Additional work is required due to the Delta/Western merger. Additional fee of \$100,000 will be reimbursed by Delta.

11. Final Modification and Close-Out of Contract 1200B (4), Central Terminal Modernization - \$150,000

No. 87-0200

Final modification to resolve extra costs to electrical subcontractor related to unforeseen conditions. Contract to be closed out at \$25,799,385.97.

12. Request for Travel/Training Authorization

No. 87-0201

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

M. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:25 AM to go into closed session.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

OCTOBER 6, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President

J. EDWARD FLEISHELL
Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS
DON RICHARDS STEPHENS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

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of the Minutes
Airports Commission

October 6, 1987

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Minutes
of the
Airports Commission Meeting

October 6, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
J. Edward Fleishell, Vice President
Athena Tsougarakis
Don Richards Stephens

Absent: Z.L. Goosby

* * *

C. ADOPTION OF MINUTES:

By order of the Commission President, the minutes of the following meetings were adopted:

No. 87-0204 Special meeting of September 10, 1987;
No. 87-0205 Regular meeting of September 15, 1987

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1, of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 87-0203 authorizing Modification No. 3 to agreement with Morrison & Foerster at the closed session of September 15, 1987.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. PENDING LEGISLATION:

1. Update on Local, State & Federal Legislation

Report on the status of legislation of interest to the Airport.

Mr. Dennis Bouey, Deputy Director, Facilities Operations and Maintenance, said that there is a requirement which stipulates that transportation of materials from underground tanks will be handled by San Mateo County.

Commissioner Tsougarakis asked if there was any indication that this will be brought up again. She noticed that the Governor's veto message indicated that he would sign a tighter bill.

Mr. Bouey responded that although there is no indication at this time, he felt that San Mateo would try again.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were unanimously adopted.

2. Authorization to Conduct a Pre-Bid Conference for the Foreign Currency Exchange Lease

No. 87-0206

Resolution approving lease specifications and authorizing Director to conduct a Pre-Bid Conference for the Foreign Currency Exchange Lease.

Mr. Turpen, Airport Director, said that the Foreign Currency Exchange lease is coming to a close and staff is requesting permission to conduct a pre-bid conference for this lease. He said that there are no changes at this time.

Commissioner Stephens asked about the size of the facility.

Mr. Turpen said that there are three facilities, one is about 80-100 square feet and is located on the lower level outside of customs; there is a very small facility at Boarding Area 'D'; and, a larger facility near the shops on the left hand side of the concourse as you approach the boarding area.

Ms. Angela Gittens, Deputy Director, Business and Finance, said that the Airport receives \$600,000 a year for those spaces.

Mr. Turpen explained that this was bid right after Miami bid its lease. In 1982 or 1983 there was a lot of competition between City Corp and the Bank of America and as a result the Miami bids came in very high. The Commission then decided to bid it at SFO.

Commissioner Stephens asked if staff expects to receive a bid that will be in line with the prior rental.

Mr. Turpen responded that he did not think so but Miami feels that the climate is right for another significant bid. He said that this time the Bank of America may be in competition with Deak International. He said he has met with Deak International and they are very interested in bidding. He feels that there will once again be an aggressive bidding climate.

3. Award of Professional Services Contract to Western Ecological Services Company, Inc. to Provide Biological Services for the Airport Master Plan and Environmental Impact Report - \$17,000

No. 87-0207

Consultant to determine the impact on garter snakes as a result of developing the Airport's West of Bayshore property and to recommend mitigation measures for these impacts.

Mr. Turpen said that this expenditure is in support of the development of the master plan. He explained that any work done on the West of Bayshore property must be preceded by a mitigation plan and it is important that individuals be hired who can help the Airport towards that end. Staff believes that the firm being recommended can do the job. This expenditure will enable the Airport to develop 180 acres.

Mr. Turpen said that staff has tentatively targeted some type of West of Bayshore development within the next five years. This will have to be done sooner or later and putting it off will only expand the time frame. This will keep the Airport on that timetable.

The following item was put over.

4. \$88,438 Supplemental Appropriation to Add Three Positions in the Environmental Control Section

Resolution authorizing the Director of Airports to request from the Mayor and the Board of Supervisors a \$88,438 supplemental appropriation to add three positions in the Environmental Control Section.

Commissioner Fleishell asked if anyone has discussed this with the lobbyist. He felt that this is contrary to presentations being made in Sacramento.

Mr. Turpen asked Commissioner Fleishell what he meant.

Commissioner Fleishell explained that the story told to him was that the Airport was highly competent to handle the problem and San Mateo would be duplicating our efforts. He felt that the timing was bad.

Mr. Turpen said that 70 positions are envisioned, 67 of which are already on board. One of the remaining three is simply a replacement for a contract person. He said that this simply formalizes what we need to do.

Commissioner Tsougarakis asked what this section does.

Mr. Bouey explained that this is a reorganization of the Facilities Operations and Maintenance division. He has taken various elements that already exist and brought them into one group. He explained that when he first came to the Airport he spent the majority of his time overseeing construction. In the last year a great many changes have taken place through legislation, both locally and at the State level. He said that an Environmental Control Unit was established to look at management and disposal of hazardous materials, air quality, water quality, underground tanks, and surveillance programs, both for ourselves and our tenants. Mr. Bouey explained that these units already exist; we are simply formalizing the management position. A

person with special skills is needed to manage the diversity of the unit. The only new employee will be the Industrial Hygenist.

Commissioner Bernstein asked if this was contrary to the Mayor's decision that there be no new hirings.

Mr. Turpen responded that the Mayor's prohibitions were toward General Fund departments, not enterprise departments. He said that she may not approve this but in view of what can be gained, support from the Mayor's Office can be solicited.

Mr. Bouey added that the Mayor recently authorized industrial hygenist positions for the Port, the Department of Public Works, Recreation and Park and the Department of Public Health because they are required by San Francisco ordinances as well as State law.

Commissioner Bernstein felt that it was a lot of money and asked if this was time-critical.

Commissioner Fleishell said he would like an expression from the Mayor before moving ahead. Even though the Airport is an enterprise agency, from a budgetary standpoint the Mayor has almost the same attitude towards us as she does towards general fund agencies.

Mr. Turpen said that the Mayor's most recent budget message clearly distinguished between the General Fund and enterprise departments and that is a departure from what has traditionally happened. He said it would be contrary to normal procedure to go to the Mayor first and tell her that if she will give her support the Commission will give its approval. He argued that these positions are justified.

Commissioner Tsougarakis commented, with regard to one position, that the Airport would save money by hiring an employee instead of retaining a consultant. The other position is mandated by local ordinance.

Mr. Bouey added that in the four years he has been with the Airport he has deleted sixteen professional positions...engineers and draftsmen...from this group and one other group. He said that this is the first time in four years he has asked for a professional position.

Mr. Bouey said that the next step in the normal process of business is to go to the Mayor. He said that while approval is not essential for this meeting he is eager to move ahead as there are programs that are mandated and training must begin.

Commissioner Bernstein argued that this is for three permanent positions at a cost of \$211,000. He asked for time to think about it.

Mr. Turpen said that the incremental is \$88,000. He said his recommendation is to move ahead.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The folowing items were unanimously adopted.

5. Resolution Approving the Continuance of the Teleguide Operating Permit
No. 87-0208

6. Authorization Approving Westin Hotel's Landscape Design and Improvement

No. 87-0209

Resolution approving the landscape design for and authorizing the improvement by Westin Hotel of a portion of Airport Property.

7. Resolution Approving Assignment of National Car Rental

No. 87-0210

8. Travel/Training for Airport Representatives

No. 87-0211

* * *

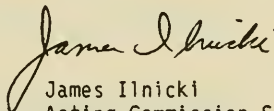
I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:20 AM to go into closed session.



James Ilnicki
Acting Commission Secretary

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OCTOBER 20, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

DON RICHARDS STEPHENS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Airports Commission

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Minutes
of the
Airports Commission Meeting

October 20, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:11 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby
Athena Tsougarakis

Absent: J. Edward Fleishell, Vice President
Don Richards Stephens

* * *

C. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary, announced unanimous adoption of resolution no. 87-0212 hiring the law firm of Morrison & Foerster to provide legal services with respect to the interpretation and implementation of the Airport/Airline Lease and Use Agreement and the Commission's Rules and Regulations at the closed session of October 6, 1987.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby asked that the Commission be provided with a summary of the audit of the Shuttle Bus company.

* * *

E. AGENDA ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item No. 1 was unanimously adopted.

1. Approval of Eligible Bidders and Authorization to Bid - Airport Motor Coach Agreement

Resolution certifying eligible bidders and authorizing Director to accept bids for the Airport Motor Coach Agreement.

Mr. Turpen, Airport Director, told the Commission that of the six companies that submitted pre-qualification documents three were certified as eligible bidders. A fourth company, Guiton, subsequently submitted the necessary documentation, making them eligible to bid as well. He said that Grosvenor Bus Lines told staff that they would not be bidding.

Mr. Turpen recommended adoption of the resolution authorizing the Director to accept bids for the Airport Motor Coach Agreement, and, approving the certification of SFO Airporter, Sequoia Stages, Greyhound Lines and Guiton as eligible bidders, and, rejecting Community Transit and Grosvenor Bus Lines as eligible bidders.

2. Report on Lease Option to Host International

Report on the conditional extension of the term of the Host International food and beverage lease.

Mr. Lou Turpen told the Commission that staff would consider the Host extension under two conditions, that 30 percent of the space presently occupied by Host be made available for minority/women business opportunities and, further, that 30 percent of the space represent at least 30 percent of the revenue as staff did not want space to be designated to MBEs/WBs that was not revenue productive. Also, that a market basket be established on those high volume purchases to ensure that Airport users pay a reasonable price for the most popular food items. Host agreed in principle to those two conditions. Staff has been working with Host for several months to define the areas that we think are appropriate for this opportunity, to establish procedures, and to guidelines and the outline of this arrangement.

Mr. Turpen said that the September 30 meeting at the Airport to discuss this matter was well attended. Staff still feels that further clarification is needed, specifically in the area of procedural guidelines, i.e. how a sublessee will be selected and the criteria that the Airport will insist upon.

Mr. Turpen said that today's report is available to the public and recommended calling either Angela Gittens or Jerry Copelan after reviewing the report. This matter will be finalized within the next few weeks and a final set of draft specifications and procedures will be developed. Comments would be appropriate at that time and will be considered as the final evaluation is prepared.

Commissioner Bernstein called on Mr. Jefferson to address the Commission.

Mr. Jefferson felt that the proposal was very innovative but asked that they be given more time to evaluate it, possibly 60-90 days. He said that the problem is that Host is proposing to sublease 11 specific concessions as a part of this program and they need to determine whether or not those concessions will be profitable. He said that this is not just an issue of revenue, it is an issue of whether the MBEs and WBEs will be able to make money at those locations.

Mr. Jefferson said that they support the idea and his request should not be construed to be in opposition to the proposal. He was simply suggesting that while staff and Host have worked on this for two years, they have had only a very brief time to look at the proposal so they felt that an additional 60-90 days would be appropriate in order to further analyze the proposal and provide more detailed and specific comments.

Commissioner Bernstein asked Mr. Harold Yee to address the Commission.

Mr. Yee applauded Mr. Turpen for the way he has conducted this business on behalf of the City but suggested that if there are good reasons not to follow the MBE/WBE legislation then the public should be made aware of them...i.e., the 30/10 goal, the preference for San Francisco businesses. He urged that the Commission retain the requirement that owner-operators be given a preference in the operation of the concessions. He felt that in order to benefit the small, minority and women-owned businesses in the City it is imperative that too many allowances aren't provided just for one company but that it be spread around.

Commissioner Goosby commented that clarification should also be given as to whether or not the local ordinance also spells out and defines local businesses. The language of the ordinance should be reflected and if this is going to be restricted to local businesses the wording should be uniform, not ambiguous.

Mr. Yee agreed with Commissioner Goosby. He said that the question as to why the Airports Commission is adopting rules of its own rather than following legislation adopted by the Board of Supervisors and signed by the Mayor won't come up at the Board.

Commissioner Goosby said that he made that point two meetings ago. He asked why the Airport was departing from a debated, compromised official City policy.

Mr. Yee said that if every department adopted its own rules it would raise havoc.

Commissioner Tsougarakis asked what the Airport's record was vis a vis the legislation.

Mr. Turpen explained that this opportunity must be put in perspective. In exchange for an option, Host is being asked to provide certain space. It was decided, after much discussion, that Host would set aside approximately 30 percent of its space but the actual amount of space would be about 36 percent. He said that that is a negotiated agreement. The Airport has no right to insist or demand of Host that they give up any of that space under their current lease.

Mr. Turpen explained that the ordinance, at 30/10, is really for the Airport overall, not concession by concession. The overall goal remains. If we achieve 36 percent on this then at some point we might have to make up that 4 percent difference. He said that 36 percent will help the Airport tremendously in achieving its goal because we wouldn't have access to this space until 1994 without this agreement.

Mr. Turpen also said that when we wanted to set aside 30/10 for Boarding Area 'E' the Human Rights Commission told us we couldn't do it. Boarding Area 'E' bounced around for quite some time when all the Airport did was promote that area as a sublease requirement for minority/women business based on a square footage extension, which is what the Airport has traditionally done.

Mr. Turpen said that the suggestion that this effort is in violation of a City ordinance is incorrect in this specific situation. Secondly, the ordinance is not drawn to every specific concession opportunity but rather to a departmental goal to which the Airport traditionally commits. Thirdly, the problem the Airport ran into with Boarding Area 'E' still exists and that is why that Boarding Area was bid without our principal concession concept, which the Airport invented, promoted and has advocated all along.

Mr. Turpen explained that this was seen as an opportunity to get as much space as possible on this concession before the re-bid date. The other option is to bid this as a new concession in 1994 and try to include the square footage allowances that staff feels is right. He felt that he had to alert the community and the Commission that that very philosophy was rejected by the Human Rights Commission as being inappropriate. He asked what will happen when HRC says no to 30/10 in 1994 and this space is then bid as a straight concession opportunity.

Mr. Turpen felt that at 36 percent this was a tremendous opportunity for the community. He did not see getting any more from Host at this point.

Commissioner Goosby said that Mr. Yee suggested that the community should be made aware of why the Airport has these figures. This is the first time the community has heard that Host has dragged their feet at going beyond this point.

Mr. Turpen did not feel that Host was dragging their feet.

Commissioner Goosby disagreed and felt that Host was not in favor of 30/10. He assumed that Host had been broached about this.

Mr. Turpen said he did not think it was fair to characterize Host as dragging their feet. He said that staff has been talking with Host over the past two years about what they could make available.

Commissioner Goosby said that Host should have been asked. He wanted Host to know that the Commission is strongly in favor of what they are proposing but additional negotiations must take place before this is approved. He felt that the community should be brought up to speed and given time to digest the information. He felt that a 60 day public comment period should therefore be provided before the Commission gives its final approval. In the meantime members of the community are free to negotiate with Host.

Commissioner Goosby said that this is an important precedent and Host should be applauded for its forward-looking attitude.

Commissioner Tsougarakis said that since the conference was held on September 30 and staff was talking about waiting until the next meeting or even the meeting after that, why not extend it one more meeting.

Mr. Turpen responded that the request is for 60-90 days after the final set of specifications are presented to the Commission. To discuss those things while they are still in a state of flux would not be productive.

Commissioner Goosby said that there is nothing keeping the community groups from contacting Host while staff is developing that final proposal.

Mr. Turpen said that was correct but he did not want to create the impression that things would not change between now and the time

staff returns.

Commissioner Tsougarakis asked for the final specifications as soon as possible. She felt the Airport was doing a good job.

Mr. Yee agreed with Commissioner Tsougarakis. He said that the MBE/WBE legislation provides relaxation of the goals but it must be asked for and the rationale must be provided.

Mr. Turpen will return to the Commission with procedural guidelines. The community will then have 90 days to review it.

Commissioner Goosby said that 60 days was enough.

Commissioner Tsougarakis agreed with Commissioner Goosby.

Mr. Turpen said that there will be a 60 day public comment period commencing after the next time this item is discussed at a public meeting, and before final approval.

Commissioner Goosby asked the Human Rights Commission representative to speak.

Ms. Vickie Zimpel, Human Rights Commission Senior Contract Compliance Officer, said HRC is very supportive of the approach being used with Host and it will be a true break-through if those concessions are opened up to MBE's/WBE's. She said that HRC's only concern is that what is worked out conforms, in the broadest sense, with what the Board of Supervisor's approved. Different definitions and different approaches to the MBE program will create a confusing situation. For that reason, HRC strongly urges the Airport to ask Host whether it would be possible to go to 30/10 or else explain why that goal is lower.

Commissioner Tsougarakis asked if the goal is by department.

Ms. Zimpel responded that the ordinance spells it out as a broad City-wide goal which is carried down in departments and then down to individual contracts and leases. It has been the policy of the Commission, which normally is in the position of developing these goals, to have 30/10.

Mr. Turpen said that he did not believe that was true.

Commissioner Tsougarakis said that she would like to understand what the Airports Commission is responsible for.

Mr. Turpen said that it is a departmental commitment, not an individual commitment.

Ms. Zimpel said that HRC has discussed this matter with the City Attorney and will ask that office to provide the Airport with information on this issue. She pointed out that the Airport is in a negotiating posture and is requiring Host, as a condition of extending the lease, to include MBE/WBE enterprises on the lease. That is an entirely different situation, legally, under the ordinance than if it goes out to bid.

Commissioner Goosby said that in other words this is voluntarily being agreed upon.

Ms. Zimpel said that in the case of Boarding Area 'E' what would have made it legal is what eventually happened, i.e. a request for a set aside and, limit the bidding to MBE's and WBE's, which is provided

5. \$88,438 Supplemental Appropriation to Add Three Positions in the Environmental Control Section

No. 87-0217

Resolution authorizing the Director of Airports to request from the Mayor and the Board of Supervisors an \$88,438 supplemental appropriation to add three positions in the Environmental Control Section.

Mr. Turpen said that this matter came before the Commission at a previous meeting and no input has been received since that meeting. He recommended approval.

Commissioner Goosby asked if those positions have already been filled.

Mr. Turpen said that the safety officer is on board so there is really only one addition.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

6. Award of Contract 1909-R, Reconstruct Plaster Wall, South Terminal to Echo West, Inc. in the amount of \$77,650

No. 87-0216

The 24-year old plaster wall at the field side of the terminal, which is developing leaks due to deterioration, will be structurally reinforced and replastered.

7. Tenant Improvement:
American Airlines - Boarding Area 'E'
Modification of Jet Loading Bridges
Contract T-3323 - \$1,450,000 - No Cost to City

No. 87-0218

8. Request for Travel/Training Authorization

No. 87-0219

* * *

H. CLOSED SESSION:

The meeting recessed at 9:40 AM to go into closed session and reconvened at 10:00 AM.

* * *

G. CORRESPONDENCE:

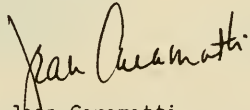
The Commission unanimously adopted a resolution recognizing Mr. Turpen's involvement with the California Commission on Aviation and Airports and potential legislation in the area of land use and aircraft noise liability.

No. 87-0231

* * *

I. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:00 AM.


Jean Caramatti
Commission Secretary

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MINUTES

NOVEMBER 17, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

DON RICHARDS STEPHENS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission
November 17, 1987

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H.

CONSENT CALENDAR OF ROUTINE
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I.

CORRESPONDENCE:

Proposed Noise Regulation 9

K.

ADJOURNMENT TO GO INTO
CLOSED SESSION:

9

Minutes
of the
Airports Commission Meeting

November 17, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:04 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
J. Edward Fleishell, Vice President
Z. L. Goosby
Athena Tsougarakis
Don Richards Stephens

* * *

C. ADOPTION OF MINUTES:

The minutes of the following regular meetings were adopted by order of the Commission President.

No. 87-0233	October 6, 1987
No. 87-0233-A	October 20, 1987

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary, announced unanimous adoption of resolution no. 87-0230 authorizing the hiring of H.J. Degenkolb to evaluate the structure of the North Terminal roof at the closed session of October 20, 1987.

* * *

E. DIRECTOR'S REPORTS:

1. Status Report on RIDES Program

RIDES for Bay Area Commuters is now in operation at San Francisco International Airport. Their survey indicates good potential for reducing employee parking shortage.

Mr. Peter Nardoza, Assistant Deputy Director, Business and Finance, acting in Mr. Turpen's absence, told the Commission that this report is from Landside Operations.

Commissioner Goosby said that the summary indicates that RIDES will try to reduce employee traffic by 10 percent.

Mr. Sheldon Fein, Landside Operations, said that a committee of Station Managers and tenants has established a goal of reducing employee traffic by 1000 cars. He said that it has been determined in meetings with the tenants that this is a reasonable goal.

Commissioner Bernstein asked what would happen to the program if the number of riders is reduced substantially.

Mr. Nardoza responded that it would alleviate the employee parking problem. He said he believed that if Airport employees were not availing themselves of the various van pool services the Airport will have to take a serious look at how to deal with employee parking, possibly the construction of a new garage.

Commissioner Goosby asked that that be put in writing.

Commissioner Tsougarakis said that the Commission approved RIDES for one year and suggested that at the end of the year it come before the Commission for review.

Mr. Fein explained that this one-year service contract is at a specific not-to-exceed amount. The Commission can decide at the end of one year whether or not it wants to extend the contract.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Stephens commented on the Mayor's letter and her praise of the Airport's response to the hijacking. He suggested that the Commission be called in the event something like that happens again.

Commissioner Stephens also commented on Bob Epifanio's position paper, which the Director subsequently amended, and suggested that the Commission be made aware of controversial stands the Airport is about to take.

Mr. Turpen explained that the first paper was contradictory to the Airport's traditional position. The Airport does not comment on anything that is beyond its boundaries. He said that the Airport can comment on violations that happen within its boundaries but that paper discussed areas beyond the geographic boundaries of the Airport. He said that although the Airport is concerned about those items mentioned in the position paper, we must confine our efforts and our resources to Airport property. Mr. Turpen explained that the final product went beyond the scope of what was discussed. He also told the Commission that this was meant as an internal document.

Commissioner Fleishell moved both pending legal settlements. Commissioner Tsougarakis seconded the motion. The resolutions were unanimously adopted.

No. 87-0248
No. 87-0249

Various settlements
Settlement: Kaplan

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were unanimously adopted.

2. Authorization for Pre-Bid Conference:
Entertainment Center/Video Game Room Lease

No. 87-0234

Mr. Turpen told the Commission that this rebids an existing concession. The Airport would provide the equipment and the facility at 50 percent of gross revenue. He said that some of the games will be replaced with more popular games.

Commissioner Fleishell asked if the Airport was responsible for repairing the equipment.

Ms. Angela Gittens, Deputy Director for Business and Finance, responded that the Airport does not repair the current equipment. Originally, there were two game rooms and the Airport has been using the old game room for spare parts for the remaining game room. Although not required to do so, the operator has purchased some new games himself, to keep current.

Commissioner Fleishell asked how much the Airport was required to replace per annum.

Ms. Gittens responded that the concessionaire will be required to provide any new equipment and repair existing equipment as in any normal concession; there will be no requirement on the Airport in this new lease.

Item No. 3 was put over to the end of the calendar in order to provide time for representatives of O'Grady Paving to arrive and address the Commission.

3. Award of Contract No. 1437:
Overlay Cargo Ramp and Taxiway 'B'

4. \$19,654,907 Supplemental Appropriation to Fund Approved Capital Projects

No. 87-0236

Resolution authorizing \$19,654,907 supplemental appropriation to fund capital projects.

Commissioner Goosby asked if this was all new construction.

Mr. Turpen responded that this was part of the Five-Year Program. He was not certain if it was all new construction or included some modernization.

Commissioner Goosby asked if these items were included in the Airport's Outreach Program. He suggested that MBEs/WBEs/SBEs be contacted early on so that they can prepare themselves to be in a position to bid.

Commissioner Tsougarakis asked that she be sent a list of projects included for this supplemental.

5. Close-Out of Airport Contract No. 1438:
Reconstruction and Overlay of Taxiway 'F'

No. 87-0237

Resolution to approve a time extension and assessment of \$25,000 in liquidated damages for avoidable delays and to close out this contract.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Items 6 through 12 and 14 through 17 were unanimously adopted. Item No. 13 was removed from the calendar.

6. Retirement Resolution:
Donald C. Harrington

No. 87-0232

7. Retirement Resolution:
George R. Owens

No. 87-0238

8. Extension of Contract with Signet Testing Laboratories for Construction Materials Testing, South Terminal Modernization and Replacement Projects

No. 87-0239

Contract will be amended to: 1) extend termination date to December 31, 1988; 2) provide testing of waterproofing material and investigate leaks at Tunnel B; and, 3) include testing services for Delta Air Lines' facilities at Boarding Area C - Total Not-To-Exceed Budget: \$52,000.

9. Type II Modification for Contract 1410EF, South Terminal Reconstruction, Phase II

No. 87-0240

Contract modification to provide additional work for unforeseen conditions, new requirements and deficiencies in the plans and specifications - \$127,594.

10. Bid Call: Contract No. 1944
West Underpass - Rehabilitation of Drainage System
- No. 87-0241 Resolution approving the scope, budget
and schedule for Airport Contract No.
1944 and authorizing the Director of
Airports to call for bids when ready.
11. Resolution Confirming Establishment of Bureau of Temporary
Exhibitions and Cultural Programs, Effective July 1, 1980
- No. 87-0242
12. Resolution Approving Assignment of Lease of Pacific Southwest
Airlines, Inc. to U.S. Air Group, Inc.
- No. 87-0243 Resolution approving assignment of
Lease #82-0120 by acquisition and
merger from Pacific Southwest
Airlines, Inc. to U.S. Air Group, Inc.
- Item No. 13 was removed from the calendar.
13. Resolution Modifying Lease - United Air Lines, Inc.
- Resolution modifying Lease and Use Agreement No. 82-0126 between
United Air Lines, Inc. and Airport.
14. Resolution Approving Assignment of Lease of Air Cal to American
Airlines
- No. 87-0244
15. Resolution Modifying Lease - American Airlines, Inc.
- No. 87-0245 Resolution modifying Lease and Use
Agreement No. 82-0111 between American
Airlines, Inc. and Airport.
16. Resolution Modifying Lease - Trans World Airlines, Inc.
- No. 87-0246 Resolution modifying Lease and Use
Agreement No. 82-0125 between Trans
World Airlines, Inc. and Airport.
17. Resolution Modifying Lease - Alaska Airlines, Inc.
- No. 87-0247 Resolution modifying Lease and Use
Agreement No. 82-0314 between Alaska
Airlines, Inc. and Airport.

G. AGENDA ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was unanimously adopted.

3. Award of Contract No. 1437:
Overlay Cargo Ramp and Taxiway 'B'

No. 87-0235	Resolution awarding Contract No. 1437 to Grade Way Construction in the amount of \$862,545.00.
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Mr. Julian Andona, President of O'Grady Paving, told the Commission that the apparent low bidder, Gradeway, did not meet the minority goals. He disagreed with HRCs decision that Gradeway made a good faith effort arguing that the six other bidders did meet the goals. He said that the specifications require that all minorities must be pre-qualified. The subcontractor that Gradeway is using was not pre-qualified.

Commissioner Fleishell said that this is a matter solely within the discretion of the Human Rights Commission.

Mr. Don Garibaldi, Airports General Counsel, agreed with Commissioner Fleishell.

Commissioner Fleishell said that the Airport has not and could not overrule the Human Rights Commission in matters like this. He told Mr. Andona that the Human Rights Commission ruled against him and that would be the proper agency to appeal his case. The Airport is bound to HRCs decision so unless Mr. Andona has another basis for a protest the Airports Commission can do nothing.

Mr. Andona said that he feels the Human Rights Commission is wrong.

Commissioner Stephens said that the Airports Commission is not an appellate body to the Human Rights Commission. He told Mr. Andona that he thought that there might be a way to appeal HRCs decision.

Commissioner Goosby told Mr. Andona that he should make his appeal over the HRC staff, directly to the Human Rights Commission itself.

Mr. Bayard Fong, Contract Compliance Representative with the Human Rights Commission, pointed out that the Human Rights Commission Director, Grant Mickens, has the sole discretion to make a ruling on this issue without the concurrence of the Commission.

Commissioner Tsougarakis said that the Airport was not arguing that point. If Mr. Andona wants to protest, he must do so to the Human Rights Commission, not the Airports Commission.

Mr. Turpen said that the Airport understands Mr. Andona's concerns but is not in the position of verifying and certifying minorities.

Mr. Andona said that he feels that the Human Rights Commission has gone against their own specifications which clearly states that they have to be pre-qualified.

Mr. Turpen argued that that function is reserved for the Human Rights Commission. The Airports Commission looks to the HRC to ensure that those evaluations are made. He told Mr. Andona that his concerns must be addressed to the HRC.

Mr. Andona asked where he must go after appealing to the Human Rights Commission.

Mr. Garibaldi told Mr. Andona that he must then go to an attorney.

Mr. Grant Mickens, Director of the Human Rights Commission, said that he met with Mr. Andona and his attorney and went over the issues that he suggested were flawed with respect to HRC's recommendation. He said he reviewed all the aspects and has reaffirmed his recommendation that Gradway, the low bidder, is the eligible bidder. He said that there is no remedy to appeal to the Human Rights Commission as the regulation states that the Director has sole discretion in this matter. Mr. Andona does have the right to go to court. He said that the HRC has complied with all requirements in this case.

Commissioner Goosby told Mr. Andona that the only power the Airports Commission has over the Human Rights Commission is to delay action in the hopes that HRC will take another look at the issue.

* * *

I. CORRESPONDENCE:

Mr. Turpen said that the Airports Commission has received a copy of the proposed noise regulation with attendant materials. That document was circulated to the community at large last Monday and is available for public comment. He said that there will be a public hearing on December 1 after which the Commission can take the document under advisement and make its final decision on December 15.

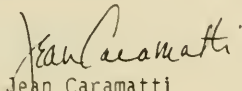
Mr. Turpen said that the Commission has received a series of comments which were based on the first draft noise regulation. The Commission can expect another series of comments which should begin to come in within the next few days. He felt that most comments will be submitted just prior to the December 1 Commission meeting. Staff will attempt to distill those comments and provide them to the Commission along with an executive summary.

Commissioner Fleishell said that it would be helpful if Mr. Turpen indicated whether the submitted comments were resolved or compromised and why. He said that some of them were of great concern, i.e. the United Airlines Maintenance problem.

* * *

K. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared items before the Commission the meeting adjourned at 9:28 AM to go into closed session.


Jean Caramatti
Commission Secretary

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MINUTES

DECEMBER 1, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN
President

J. EDWARD FLEISHELL
Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS
DON RICHARDS STEPHENS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

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of the Minutes
Airports Commission

December 1, 1987

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Minutes
of the
Airports Commission Meeting

December 1, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President
	J. Edward Fleishell, Vice President
	Z. L. Goosby
	Athena Tsougarakis
	Don Richards Stephens

* * *

C. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

D. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were unanimously adopted.

1. Award of Contract 1416C, Delta Air Lines Facilities, South Terminal & Boarding Area 'C' - \$4,596,000

No. 87-0250	Pending Human Rights Commission's approval, Airports Commission will award Contract 1416C to Baines Construction for the total amount of \$4,596,000. Four bids were received on November 16, 1987, ranging from \$4,596,000 to \$4,928,137. Approved budget is \$5,000,000.
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* * *

Item No. 2 was put over to the end of the meeting and was then unanimously adopted.

2. Supplemental Apropriation Request for Outside Legal Services - \$250,000

No. 87-0251

E. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

3. Resolution Modifying Lease - United Air Lines, Inc.

No. 87-0252 Resolution modifying Lease and Use Agreement No. 82-0126 between United Air Lines, Inc. and Airport.

4. Bid Call: Contract No. 1823
New Security Facilities at Boarding Area 'D' - International Terminal

No. 87-0253 Construction of an enclosed security check facility to meet the new security requirements for international passengers.

5. Bid Call: Contract No. 1912
Waterproofing Tunnel 'B' Lobby - South Terminal

No. 87-0254 Contract to waterproof concrete walls at Tunnel 'B' lobby and to provide architectural finishes.

* * *

F. PUBLIC HEARING:

The Public Hearing was called to order at 9:03 AM and closed at 9:34 AM, there being no further public comments.

6. Host Option

Hearing concerning Host International Food and Beverage Lease option.

Mr. Lou Turpen, Airport Director, said that staff has been working with Host/Marriott on a proposed package which would include the turnover of certain spaces to minority and women businesses as well as an agreement for a pricing mechanism in exchange for the Commission's exercise of an existing option. This officially opens the 30-day comment period which the Commission requested. Mr. Turpen recommended that if no one wished to address this item that the Commission take the matter under advisement. He said it would be recalendared either on January 5 or January 19. In the interim, staff will share with the Commission whatever comments it receives from the public.

Commissioner Goosby asked if Host would be holding its meeting in January and if this item would be brought back to the Commission after that meeting.

Mr. Turpen responded that he thought Host's meeting was scheduled for January 11 and the item would be brought back to the Commission after that date.

Commissioner Stephens asked when the Commission would receive staff's economic analysis.

Mr. Turpen responded that the Commission should receive it within the next couple of weeks. Public comments will be provided as they are received, along with a summary of those comments.

Commissioner Goosby said it was his understanding that staff's analysis would equate the dollar amount to the space.

Mr. Turpen said that staff was presently looking at 36 percent of the space and about 36 percent of the gross revenues.

Commissioner Fleishell said he would like to see a copy of Host's lease. He said he was concerned about this extension. The Airport has not given 10 years leases to anyone in the last 10 years. The idea was to keep control of the concessions by giving five-year leases and five-year options at the Commission's option. With a monopoly on food and beverage at the Airport, he said that they should be laughed out of the room for requesting a 17-year lease.

Mr. Turpen responded that this proposal was made in the best interest of the City, the Airport and its patrons. It is up to the Commission to accept or reject staff's suggestion.

Commissioner Fleishell said that when he first joined the Commission nine years ago one concession had a monopoly on flowers, one had a monopoly on candy, and one had a monopoly on the gift shop. Now, concessions are bid by terminal. In this instance, instead of taking steps to terminate a monopoly we are extending the lease seven years before it expires. He said he was concerned about this proposal.

Commissioner Fleishell also reminded the Commission that when Hilton wanted to extend its lease a few years ago and build additional units, which would have produced millions of additional dollars in revenue to the Airport, the Airport turned Hilton down because they wouldn't give up their monopoly.

Commissioner Fleishell asked to see a copy of the lease.

Commissioner Stephens agreed with Commissioner Fleishell. He felt that from a real estate standpoint the Airport would be better off entering into shorter leases. He had serious reservations about extending this lease and Host's monopoly position. He said he would rather wait out the seven years, bid the lease and hopefully end up with a variety of different purveyors in the terminals.

Commissioner Goosby said he brought this point up two months ago without comment by other members of the Commission. He said that he attended a meeting at the Airport with current Airport concessionaires and interested bidders and not one person at that meeting made a comment against proceeding. He said that there was a lot of concern as to whether or not the liquor should go with the food, whether the dollar amount is accurate, the representation of the space, the terms of the sublease, and who will provide food for the airlines. In private conversations with the prospective bidders he was told that they do not feel that if they had to compete with Dobbs, Host or other large food concerns in seven years time, that they would end up with more than 30 percent of the concessions at the Airport, nor would they receive the financial assistance Host is offering. He said that the percentage bothers him. He does not want it to be less than what is called for in the City ordinance.

Commissioner Goosby said that he originally thought that the lease should expire so that possibly more minorities might then have a greater chance at bidding, even if it were bid by terminal. He said he was no longer certain that minorities would be better off.

Commissioner Goosby asked when the last extension was granted.

Mr. Turpen said that the lease was re-bid in 1975.

Mr. Jerry Copelan, Airport Property Manager, responded that the bid also included the commissary facilities.

Mr. Turpen added that Host started at the Airport in 1954.

Commissioner Goosby thought this was the original lease from 1954.

Commissioner Fleishell also thought that the lease had been extended in 1975, not re-bid. He asked that the paperwork be pulled so the question could be cleared up. He also asked how staff arrived at the \$1.345-million. He felt that the same system should be used for each sublease. He said that once the lease is extended, the Airport will have limited control over how succeeding operations are priced.

Commissioner Tsougarakis reminded the Commission that there should be equal concern over the quality of food. Although Host does an adequate job, she felt it might be beneficial to have different concessionaires as they would provide incentives for improving quality Airport-wide as well as possibly lowering prices.

Mr. Turpen explained that an opportunity has presented itself to make these changes now rather than waiting until 1994. The Commission must decide if the proposition is attractive enough to move ahead. Staff is trying to provide the information necessary to make that determination.

Commissioner Stephens said he had no idea that Host had been at the Airport for that period of time without any competitive bidding. He said that he was against this from the start. He felt it would work to Host's advantage much more than to anyone else. He said that since this has not been competitively bid since 1954, the Airport did not know the real value of the lease. He felt it would be worthwhile to hire Coldwell Banker, Grupp and Ellis or Cushman and Wakefield to give us an idea of its value before giving anything up.

Mr. Turpen said he did not know how to respond to Commissioner Stephens's comments. He said that there are a lot of variables that must go into that evaluation. There would be more value in it for a company coming in with a lower labor cost.

Commissioner Stephens said that restaurant revenues generally were a function of volume. How much money an operator makes is a function of what they charge to the company. If the chairman's jet is charged to the restaurant, they won't break even. If it's allocated to their whole system, they will.

Commissioner Stephens said he was very opposed to this and he has not heard one argument from staff that makes him feel that it would be a good decision in the long run. In the short run it may be a positive move as it allows part of the Airport to be operated by minorities. However, he was not certain that he wanted to give up 10 years of revenue to the Airport to accelerate a program by seven years. He felt that the Airport could probably get a better deal if it were bid in 1994.

Mr. Turpen said that if the Commission's objective is to secure revenue through food service then clearly the Commission might want to take a look at re-bidding it in 10 years. If, as he suggests, the Commission views reasonable prices and good quality as a part of food service, then the Commission must take a look at what can be done today to improve that situation.

Mr. Turpen said that the suggestion that this might be bid in 1994 as a series of individual packages has been made before. The only caution in that regard is that our ability to service those concessions is severely limited, physically. Presently, the Airport has some fairly tight controls on Host because they access the terminal and provide service from the airfield side. We can accommodate limited service through the front door but we could not accommodate the volume of service that would be necessary. He felt that, in any event, the Commission will have to look at some type of prime sub-relationship in 1994, if only from the standpoint of the logistics involved.

Commissioner Fleishell asked if the Airport has seen the numbers on this particular restaurant.

Ms. Gittens responded that the Commission should take a step back to what it is trying to accomplish. The so-called value or cost is the undepreciated value of the cost of the improvements, subject to our audits. With regard to the issue of the balance sheet, Ms. Gittens responded that staff does not have that information. In response to individuals at the conference, as well as individuals who have addressed the Commission, staff tried to draw enough data and detail on Host's current operation so that a potential new operator could try to assess what his/her cost would be.

Commissioner Fleishell said that the last three operating statements are needed to determine value.

Ms. Gittens responded that this was not intended to determine the value of the land.

Commissioner Fleishell responded that it was not the land but the value of the \$1.345-million price. Would this be a good price for a minority? The Commission has an obligation to make sure that the price is realistic.

Commissioner Bernstein felt that more comprehensive information should be provided the Commission. This item was meant as an opportunity for the public to provide the Commission with input.

Commissioner Fleishell asked if the lease includes Host's other operations at the Airport, such as providing food for the airlines.

Ms. Gittens responded that it does include in-flight kitchens.

Commissioner Bernstein asked if prices are ever checked at the Airport.

Ms. Gittens responded that prices are checked. She added that certain leases have price controls.

Mr. Turpen said that the Commission has always been desirous of quality food service and reasonable prices and if those were the Commission's objectives he felt they could support this proposal. He said that if the Commission prefers that no more staff time and resources be devoted to this effort, he will comply.

Mr. Turpen said that food service has been the one area most criticized by passengers over the past five or six years and this is an opportunity to correct the situation. It is not perfect, nor is it complete. He reminded the Commission that he presented this proposal at an October 1985 Commission meeting. The Commission told him to proceed. This is the fifth time this matter has come before the Commission since that meeting and on each occasion he was instructed him to move ahead.

Commissioner Goosby said he wanted to proceed. The Commission has a responsibility to interpret the comments of the community and to make a judgment. He felt that the comments made by Commissioners Fleishell and Stephens should be seriously considered.

Commissioner Goosby said that he read Grant Mickens letter in which he expressed concern over the 30/10 percentage. He hoped that the Commission would come to a conclusion by January.

Commissioner Bernstein asked for a copy of the lease as well as the figures on how much each restaurant is doing and what it could do.

Mr. Henry Chan, local restaurateur, told the Commission that this is very positive, from the minority standpoint. Host is providing the best opportunity possible to the minority community to operate at the Airport and compete with them. He said that he is not familiar with the formal bidding process and he would not be able to compete with larger companies. With Host's assistance, guidance and cooperation this would be a good start for a minority.

* * *

H. CLOSED SESSION:

The meeting recessed at 9:34 AM to go into closed session and reconvened at 10:00 AM.

G. CORRESPONDENCE:

Mr. Turpen brought up Mr. Leonoudakis's letter requesting that SFO Airporter's fees be waived.

The Commission denied Mr. Leonoudakis's request.

* * *

I. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:05 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

DECEMBER 16, 1986

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President

J. EDWARD FLEISHELL
Vice-President

DR. Z.L. GOOSBY
ATHENA TSOUGARAKIS
DON RICHARDS STEPHENS

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

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of the Minutes
Airports Commission

December 16, 1986

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Minutes
of the
Airports Commission Meeting

December 16, 1986

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

J. Edward Fleishell, Vice President
Z.L. Goosby
Athena Tsougarakis
Don Richards Stephens

Morris Bernstein, President, arrived
at 9:15 AM.

* * *

C. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

D. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item No. 1 was unanimously adopted.

1. Authorization to Receive Bids for International Terminal and South Terminal Shoeshine Leases

No. 86-0276

Resolution approving leasehold
specifications and authorizing
Director to receive bids for:

International Terminal Shoeshine
Lease;
South Terminal Shoeshine Lease

Mr. Lou Turpen, Airport Director, told the Commission that an evaluation of the liability coverage of independent contractors was made and included in the report.

Item No. 2 was put over.

2. Award of Contract No. 1752:
Maintenance Building Roofing - Republic Airlines Hangar

Resolution awarding Contract No. 1752 to Royal Roofing Co., Inc. in the amount of \$89,980.00 to \$149,000.00.

Eight bids were received on November 26, 1986 with amount ranging from \$89,980.00 to \$149,000.00.

* * *

E. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

3. Settlement of Unlitigated Claim of City and County of San Francisco Against Paul Stange in the Amount of \$9,997.38

No. 86-0277

Resolution approving settlement of unlitigated claim of City and County of San Francisco against Paul Stange whereby Paul Stange has repaired the North Terminal to the satisfaction of Airport Commission at a cost of \$9,997.38.

4. Transfer Miscellaneous Electrical Work from Contract 1416AB-R (Boarding Area 'C') to Contract 1410EF (South Terminal Renovation Phase II) - No Change in Total Cost of Contracts

No. 86-0278

Contract 1416AB-R will be debited \$50,000 and Contract 1410EF will be credited the same amount. The transfer is necessary for better coordination of the trades.

5. Retirement Resolution for Sam Parker

No. 86-0279

6. Retirement Resolution for Paula Thomas

No. 86-0280

* * *

F. CORRESPONDENCE:

Mr. Turpen said that he has received a letter from Smarte Carte regarding the new model 1035 cart which is an L-shaped design.

Commissioner Fleishell commented that the Commission has explained the design it wants to Smarte Carte. He asked Mr. Turpen to talk to Mr. Pastian and tell him that this design is not acceptable to the Commission and staff is not to waste time on it.

Commissioner Goosby expressed an interest in members of the Commission attending national conferences. He asked if the Mayor still had a policy that Commission members not attend conferences on City business. If this was the case he thought it was an unfortunate policy as he felt it important that Commissioners be current with issues in the industry.

* * *

H. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:20 AM to go into closed session.



Sandra Crumpler
Acting Commission Secretary

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MINUTES

DECEMBER 15, 1987

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

MORRIS BERNSTEIN

President

J. EDWARD FLEISHELL

Vice-President

DR. Z.L. GOOSBY

ATHENA TSOUGARAKIS

DON RICHARDS STEPHENS

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Airports Commission
December 15 1987

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Minutes
of the
Airports Commission Meeting

December 15, 1987

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President
	J. Edward Fleishell, Vice President
	Z. L. Goosby
	Athena Tsougarakis

Absent:	Don Richards Stephens
---------	-----------------------

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 17, 1987 were adopted by order of the Commission President.

No. 87-0255

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Fleishell introduced a resolution commending the Airport Duty Managers for their work.

The resolution was unanimously adopted.

No. 87-0256

* * *

E. PUBLIC HEARING:

The Public Hearing was opened at 9:07 AM and closed at 10:35 AM, after all public testimony had been received. Attached is a certified court reporters transcript on Item No. 1.

1. Hearing on Proposed Airport Noise Regulation

* * *

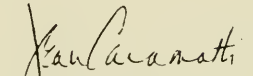
F. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

G. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared items before the Commission the meeting adjourned at 10:35 AM to go into closed session.


Jean Caramatti
Commission Secretary

CITY AND COUNTY OF SAN FRANCISCO

DIANNE FEINSTEIN, MAYOR

---oOo---

SAN FRANCISCO INTERNATIONAL AIRPORT

NOISE ABATEMENT REGULATION

P U B L I C H E A R I N G

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Tuesday, December 15, 1987, 9:08 a.m.

---oOo---

ORIGINAL

Reported By CHARLOTTE CERVANTEZ, Notary Public

County of Alameda, State of California

C.S.R. License No. 4486

BAY AREA COURT REPORTERS

1 BE IT REMEMBERED that on Tuesday,
2 December 15, 1987, commencing at the hour of 9:08 a.m.
3 thereof, at The City Hall in and for the City and County
4 of San Francisco, Room 282, San Francisco, California,
5 before me CHARLOTTE CERVANTEZ, a Notary Public in and for
6 the County of Alameda, State of California, personally
7 appeared the hereinafter named parties at the following
8 proceedings.

9
10
11 SAN FRANCISCO INTERNATIONAL AIRPORT COMMISSIONERS
12
13

14 HONORABLE MORRIS BERNSTEIN, President

15 HONORABLE DR. Z.L. GOOSBY, Commissioner

16 HONORABLE J. EDWARD FLEISHELL, Commissioner

17 HONORABLE ATHENA TSOUGARAKIS, Commissioner
18

19 HONORABLE DON RICHARDS STEPHENS, Commissioner
20 (was unable to attend)
21
22

23 LOUIS A. TURPEN, Director of Airports

24 DONALD GARIBALDI, Airport General Counsel

25 STEPHEN ROSENTHAL, Outside Counsel

26 JEAN CARAMATTI, Airports Commission Secretary

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P R O C E E D I N G S

MS. CARAMATTI: Item one, the public hearing; hearing on the proposed airport noise regulation.

MR. BERNSTEIN: We will lead off with that one. All right?

Ladies and gentlemen, on behalf of the entire Airports Commission I'd like to welcome representatives of the F.A.A., of the air carrier service at San Francisco International Airport, the neighbors of the airport, and members of the public.

As you are aware, the Commission today is holding its public hearing on our proposed new noise abatement regulation, which will supersede the airport's current regulation, Resolution 78-0131, and is designed to establish progressive reasonable noise standards here at San Francisco International Airport for the balance of this century.

The Commission and the Airport Administration have devoted considerable time and substantial resources in an effort to develop a regulation that we feel balances our obligation on the state laws, to continue to reduce the impact of aircraft noise on the airport community, and to reserve a high level of aviation service currently provided for at San Francisco. It is important to the economy of the entire Bay Area.

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1 In pursuit of that goal, the Commission
2 released for public comment the preliminary draft of the
3 new noise abatement regulation on June 1 of this year. In
4 response to our invitation, we received a large number of
5 detailed and careful comments on that draft, and as a
6 result of these comments we made extensive changes in the
7 regulation.

8 We also directed our acoustical consultants,
9 the Perry Company and the Ken Eldid Engineering
10 Corporation to prepare contours and analysis showing what
11 the noise environment at the San Francisco International
12 Airport would look like both with the new regulation in
13 effect and without it.

14 On November 6th, 1967 --

15 MS. TSOUGARAKIS: 1987.

16 MR. BERNSTEIN: -- we released the latest
17 version of the proposed regulations, and we invited
18 further comment from all interested persons. We also
19 released a statement, explaining the basis for our revised
20 regulation and responding to the public comments.

21 In addition, we voluntarily made available for
22 inspection here at the Commission extensive technical
23 data, noise contours and reports prepared by our
24 consultants and used by the Commission in the development
25 of a new regulations.

26 Finally, at the request of several of the air

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1 carriers, we extended the comment period until last
2 Friday, December 11, 1987, to afford all persons
3 sufficient time to review the latest version of the
4 regulation and the noise data and reports prepared by our
5 consultants.

6 I am pleased to report today that in response
7 to this second invitation for comments, we have once again
8 received extensive, helpful, written comments from the
9 community, the air carriers, and other persons interested
10 in the airport noise environment.

11 We have been carefully reviewing these
12 comments as they were received, and we may make some
13 further changes in the regulations to respond to concerns
14 raised in them.

15 Because of the relatively large number of
16 persons interested in testifying on the new regulation
17 today, the Commission must adhere strictly to its usual
18 three-minute rule, limiting each person to three minutes,
19 in order to provide as many as possible an opportunity to
20 address the regulations. If someone begins to exceed his
21 or her three-minute allotment, one of our staff will be
22 forced to interrupt the speakers. Again, we thank you for
23 your participation in this process.

24 I must beg your indulgence because I did too
25 much talking, or I did too much of something. So if it
26 hasn't been clear, I'd be glad to clear up anything that

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1 was said. All right?

2 The first speaker, Mr. John Simpson, of the
3 Burlington Air Express from Washington, D.C.

4
5 JOHN W. SIMPSON

6 MR. SIMPSON: Good morning, ladies and
7 gentlemen --

8 MR. BERNSTEIN: Would you give your name,
9 please.

10 MR. SIMPSON: Yes, my name is John W. Simpson.
11 As you indicated, I representing Burlington Air Express.
12 Is this working? Can you hear me all right? I'm not sure
13 I've been heard.

14 In a sense I guess we're the skunks at a
15 garden party here. As you know, we have a litigation
16 going before the F.A.A., been going for a year or two, and
17 I must confesses I think it's one of the silliest pieces
18 of litigation I've been involved in. I've been in
19 practice some 35 years, and I've never seen anything
20 that's quite as inane; because there's really no reason
21 for this litigation, and enormous amount of studies, and
22 money my clients and you are spending on legal fees.

23 The problem is of course the Q-707. We'll
24 have Mr. Gary Gorder here from Shannon Engineering, and
25 he'll talk on the more technical details. Frankly I don't
26 pretend to be a noise expert, but what he tells me is that

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1 your staff has used the wrong data base in getting to your
2 noise numbers and arriving at the conclusion that the
3 Q-707 would be unacceptable at your airport.

4 When you use the correct noise numbers, this
5 airplane is much the same as a good many other Stage 2
6 aircraft. There are a number that are much noisier, and
7 in particular, the Q-727 200 with the JTAD-15 engine --
8 which is the most common 727 200 aircraft. It's noisier
9 than our aircraft.

10 Now, we would like the opportunity to sit down
11 with you and go over the numbers and try to resolve this
12 without a lot of litigation. It's going to take months if
13 we're going to go into litigation, to fight over this.
14 It's a very complex matter, and it really isn't going to
15 get us very far.

16 A year and a half ago Mr. Turpen indicated to
17 me that the Q-707 would be very noisy at full takeoff
18 power without the power cutback. I told him that I
19 thought his numbers were inaccurate.

20 I checked and was told that the numbers were
21 incorrect. So I called up and I said "Let's get together
22 before we get in an expensive litigation; let's sit down,"
23 and "we'll make all of the data available to you." You
24 have to have proprietary data from Shannon Engineering to
25 do this thing properly. It can't be done without it.

26 We'll give you all that, we'll answer all your

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1 questions. "Let's get your noise experts together with
2 our noise experts, and let's see if we can't talk this
3 out; and maybe we'll reach an agreement, maybe we won't;
4 but at least we have tried, before we run up thousands of
5 dollars in legal fees."

6 So I came out here with the understanding that
7 we were going to do that. I flew out from Washington. We
8 flew two noise experts down from Seattle. The chief pilot
9 flew in from Atlanta. We had a noise man from Poporanic,
10 from Orange County, and several people from Burlington Air
11 Express from Orange County.

12 Unfortunately, when we got here, we found that
13 Mr. Turpen and his attorney -- We made a presentation to
14 him, and he said "Thank you for your presentation, we'll
15 take it into account."

16 And I said "Well, we want to talk with your
17 noise experts," and they refused to do that.

18 Now to me, that's silly. We're going to run
19 up enormous legal expenses here. I suppose I shouldn't
20 complain, because you're going to make me rich off of
21 this. But I wanted to tell you that you shouldn't feel
22 any obligation to make me be rich over this litigation.

23 We do have other matters in the office, and
24 we'd be glad to have a lot of work. We can do without
25 getting into needless battles over things which shouldn't
26 be battled over.

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1 So we'd like the suggestion to be that we get
2 your noise experts, put them together with ours. We'd
3 like to meet with you, some of the Commission, with your
4 staff if you wish. We'd like to see if we can't reach an
5 agreement as to what the facts are before we go forward
6 with this litigation which is now pending.

7 Mr. Gorder of Shannon Engineering will be
8 here, and he will talk in more detail on it. I put our
9 comments in writing, so I won't repeat all those. But I
10 might also say that we'd join in comments which are being
11 made by A.T.A. and D.H.L. and others here who have much
12 the same problem that we have.

13 But we have a special problem, which we really
14 would like to work out with you -- if it's possible to do
15 it before we go forward with the hearings in Washington,
16 which are going to be very, very long and very expensive.

17 I think that's everything I have to say right
18 now, unless you have some questions.

19 MR. BERNSTEIN: Thank you, Mr. Simpson.

20 Any questions?

21 MS. TSOUGARAKIS: No.

22 MR. BERNSTEIN: Thank you, Mr. Simpson.

23 MR. TURPEN: Thank you.

24 MR. SIMPSON: Thank you.

25 MR. BERNSTEIN: Next, Mr. Gary Gorder of
26 Shannon Engineering.

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1 GARY_GORDER

2 MR. GORDER: Hi, I'm with Shannon Engineering,
3 I'm employed as Acoustical Consultant there. In
4 association with Tracor and CompTran we developed and
5 certificated the quiet 707 airplanes.

6 I'd like to follow up on John Simpson's
7 comments regarding the Commission's prohibition of
8 Burlington Air Express' quiet 707 at the airport. In
9 particular what I'd like to comment on are technical data
10 that have been provided to Mr. Turpen by Mr. H.L. James of
11 the Commission -- I believe he's the noise abatement
12 officer -- and point out that that data is inaccurate and
13 has probably led to some faulty conclusions.

14 The Commission has claimed that the full power
15 takeoff noise level for the 707 is on the order of 110
16 to 110.6 E.P.N.D.B. at a maximum brake release gross
17 weight of about 290,000 pounds.

18 We have data that shows that noise level is
19 actually 105.5, and that data has been approved by the
20 F.A.A. and is used as the basis for airplane flight manual
21 substantiation.

22 As well, they've claimed that the quiet 707
23 is noisier at full power takeoff than the 727 200 with
24 JTAD-15 engines. We can show that at the maximum
25 operating weight for the 727 200 of 109,000 pounds, that
26 airplane makes a full power takeoff noise level of

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1 about 109.8 E.P.N.D.B., which puts it about four
2 E.P.N.D.B. higher than the quiet 707.

3 Their data claims that the 727 at full power
4 noise level is only 101 E.P.N.D.B. and has no reference.
5 Our data is derived from Boeing Company, who manufactured
6 data for the 727. Clearly the quiet 707 is not the
7 noisiest airplane operating or would not be the noisiest
8 airplane operating at San Francisco Airport.

9 This data we have, as John pointed out, we
10 have tried to present to Mr. Turpen in the past, actually
11 have presented to Mr. Turpen in the past, and we feel that
12 some of it has not been passed on to the Commission. We
13 just, today, wanted to make sure the Commission understood
14 that the quiet 707 airplane would not be the noisiest
15 airplane at San Francisco. Thank you.

16 MR. BERNSTEIN: Thank you.

17 Any questions?

18 MS. TSOUGARAKIS: No.

19 MR. BERNSTEIN: Mr. Gankin, San Mateo County
20 Planning Commission, the Chief Planner. Mr. Gankin,
21 please?

22
23 ROMAN_GANKIN

24 MR. HANKIN: Mr. President, I'm Roman Gankin.
25 I'm with the San Mateo Planning Commission division, and
26 I'm here to represent the Board of Supervisors of

BAY AREA COURT REPORTERS

1 San Mateo County. They're having a board meeting today,
2 and they asked me to be here in their stand.

3 We have prepared a Resolution. The Board took
4 action last Tuesday on this -- and I will be passing this
5 out to you -- in support of your new noise regulations.
6 We certainly hope that these noise regulations, as
7 provided and as possibly amended, will provide for a
8 quieter environment for our local citizenry and around the
9 airport.

10 We are quite concerned about that, and we want
11 to make sure that these regulations are in fact
12 implemented in the fashion that they have been proposed.
13 We're in full support of those regulations.

14 I don't have anything more to say.

15 MS. TSOUGARAKIS: Thank you.

16 MR. BERNSTEIN: Thank you, Mr. Gankin.

17 Next was Jim Chamberlin. Where are you, Jim?

18 MR. CHAMBERLIN: Mr. President, I would like
19 to defer to A.T.A. as the lead-off member for the airline
20 representatives here. May I, please?

21 MR. TURPEN: Mr. Hannon? Who is speaking for
22 them, sir?

23 MR. CHAMBERLIN: Ralph Dow.

24 MR. MURPHY: Jim Murphy.

25 MR. CHAMBERLIN: Jim Murphy, I'm sorry.

26 MS. TSOUGARAKIS: Why don't we call on

BAY AREA COURT REPORTERS

1 Mr. Murphy.

2 MR. TURPEN: Let's call on Mr. Murphy now,
3 then.

4 MR. BERNSTEIN: Jim Murphy. Mr. Murphy?

5
6 JAMES T. MURPHY

7 MR. MURPHY: Mr. Bernstein, Commission
8 members, I beg your indulgence for maybe four minutes,
9 because I'm speaking on behalf of 19 airlines. It saves
10 you a great deal of time that way.

11 MR. TURPEN: State your name for the record,
12 please.

13 MR. MURPHY: Yes, James T. Murphy,
14 Vice-President Air Space and Airports of the Air Transport
15 Association.

16 Once again I would repeat I am speaking on
17 behalf of our 19 members represented here, to give an
18 overview of our reaction to the proposed noise abatement
19 regulation. You'll be hearing in more detail from
20 affected individual carriers as to their views on this.

21 I think it will come as no surprise to the
22 Commission that the A.T.A. and its members are opposed to
23 this proposal. Our preliminary comments of July 29th and
24 our final comments of December 11th argue, I believe
25 persuasively, that the proposal before you is flawed.

26 Specifically the proposal fails to quantify

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1 the effects of the proposed restrictions on airline
2 services to and from the Bay Area and virtually ignores
3 the impact on the economy of the Bay Area.

4 It does not weigh the burden of restrictions
5 versus the meager benefits to the airport's noise
6 environment. We find that the ramrod approach
7 marking this particular effort quite disheartening in the
8 long history of cooperation among the airports, the
9 F.A.A., and what we feel are significant environmental
10 achievements of these efforts.

11 One very important reason of the achievements
12 has been the collective efforts of the airlines to conduct
13 a very, very high percentage of their operations here with
14 newer, quieter, Stage 3 aircraft.

15 As a result -- and this might be dangerous to
16 say in this setting, but I will -- San Francisco Airport
17 has the least noise problem of the large California
18 airports. The area of incompatible land use near the
19 airport is 1.4 square miles, and the number of homes
20 within this area is far beneath the targets imposed by
21 Caltrans.

22 I have had the opportunity to testify at
23 hearings of this nature in Boston, Denver and Minneapolis,
24 where the core of the proposals was growth only with
25 Stage 3 aircraft.

26 At the present time the member airlines of

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1 A.T.A. have on firm order or option more than 30 billion
2 dollars worth of Stage 3 aircraft. They are being
3 procured as rapidly as prudent, financial arrangements can
4 be made. Yet community after community strive to permit
5 growth only with these aircraft.

6 These uncoordinated actions burden interstate
7 and foreign commerce, are unfair to other localities,
8 certainly raise airline operating costs, and in the end
9 disserve travelers.

10 One final note, and I think very ironical, the
11 proposal before you would bar from the airport the latest
12 technology yet to be delivered, Stage 3 747 aircraft, from
13 nighttime operations in the not too distant future.

14 Perhaps of greater importance to the residents
15 of the Bay Area, this rule would adversely impact
16 significant elements of the import and export business
17 and, would severely affect the area's second largest
18 employer, the United Airlines Maintenance Operations
19 Center.

20 John Williams of Northwest and Dick Tabery
21 of United will address these two points in greater
22 detail.

23 The curfew, particularly as it relates to the
24 impact it would have on certain wide-body freighters will
25 force operators into extremely disadvantageous time slots
26 and cause delays and inefficiencies that will affect

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1 Bay Area manufacturers, growers, importers and
2 exporters.

3 Pacific Rim freight departures must utilize
4 late night time slots in order to reach Asian destinations
5 in time to deliver perishable produce and time-sensitive
6 cargo. As far as the maintenance base is concerned, the
7 impact of this rule cannot be over estimated.

8 Every single one of the almost 400 aircraft in
9 the United fleet must pass through this brace at some
10 point in time. It is not always possible to schedule
11 these maintenance visits in conjunction with regularly
12 scheduled revenue flights.

13 Many thousands of employees rely on the steady
14 flow of business into the base. This proposed rule,
15 because of the proposed restrictions, would severely
16 hamper United's ability to maintain their 727 and 737
17 aircraft at the base.

18 I want to point out particularly that we feel
19 there have been some serious floss in the KEE Report. I
20 would like to make available to the clerk something that
21 is contained in the KEE Report. But just to highlight it:
22 The report to Congress by the F.A.A. of the modernization
23 of the aircraft fleet; you will note that we have scored
24 in red the fact that the F.A.A. is predicting that
25 the 727 100 and 727 200 fleet will decrease from its 1985
26 total of 988 aircraft to 141 in the year 2005.

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1 Yet KEE projects operations of these aircraft
2 at San Francisco International to increase from 265 to 293
3 per day, in tables 8 to 11.

4 This is just not going to happen.

5 If you look at the 737's, you will note that
6 the 737 300 and its stretch versions to 400 and 500,
7 according to the F.A.A. -- and I can assure you according
8 to the airlines -- are being ordered and manufactured and
9 procured as fast as possible. Yet the KEE Report notes
10 that the 300 new 737 200's, the Stage 2 aircraft,
11 operating at the number of 392 at San Francisco in 1985,
12 is going to go to 134. That's the F.A.A. prediction.

13 KEE predicts that these operations will
14 increase from 221 to 246. And that's just not going to
15 happen. There are two main reasons.

16 The Stage 3 aircraft are much more fuel
17 efficient in addition to being much quieter. They also
18 have greater seating capacity to meet today's demand.
19 After all, we're predicting over 600,000,000 passengers by
20 the year 1992 as compared to the 450,000,000 we're
21 handling today.

22 In closing, I want to thank you for allowing
23 me this little extra bit of time; but speaking for the
24 airlines, we think that the proposed regulations do have
25 adverse potential in terms of interstate and foreign
26 commerce, the economic impact on the airlines serving

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1 San Francisco, and the industry, and growers and shippers
2 in this area. We think the regulation is unwise and it
3 should not be adopted. Thank you very much.

4 MR. BERNSTEIN: Thank you, Mr. Murphy. Any
5 questions?

6 MS. TSOUGARAKIS: No.

7 MR. BERNSTEIN: Mr. Bary Slackman, also with
8 Delta.

9 MR. CHAMBERLIN: Commissioner Bernstein,
10 members of the Commission, I'd like to introduce Delta
11 Coordinator of Airport and Aircraft Noise Regulations,
12 Barry Slakman.

13
14 BARRY SLAKMAN

15 MR. SLAKMAN: Good morning, my name is
16 Barry Slakman, and I represent Delta Airlines. One of my
17 functions at Delta is the coordination of all aircraft and
18 airport noise-related matters.

19 MS. TSOUGARAKIS: Excuse me, would you lower
20 the microphone, please.

21 MR. SLAKMAN: Is that better?

22 MR. TURPEN: Yes, thank you.

23 MR. SLAKMAN: We at Delta have a deep, vested
24 interest in the traveling public at San Francisco
25 International, as evidenced by our 64 daily operations to
26 ten cities and many more down-line connections.

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1 Delta prides itself on being a good, quiet
2 airport neighbor. We've met all our federal noise
3 standards on and usually before the deadlines.

4 Our fleetwide percentage of Stage 3 aircraft
5 today is about 35 percent. We believe the most effective
6 means to reduce airport noise is through aircraft source
7 noise reduction.

8 Our continuing acquisition of new, quieter
9 airplanes represents significant progress in this effort.
10 Delta presently has on order new Stage 3 aircraft,
11 representing an investment of over four billion dollars,
12 to be delivered in the next five years, towards a quieter
13 fleet.

14 However, when delivered, these aircraft will
15 only boost our Stage 3 percentage to almost 55 percent.
16 We at Delta applaud this airport's efforts to further
17 reduce airport noise, but what we are concerned about is
18 that your method to get there may be contrary to our
19 mutual goal of a quieter airport community.

20 While Stage 3 criterions would represent a
21 significant quieting of aircraft fleet, Stage 2 is the
22 present federal standard, and it's a standard which many
23 airlines are just now achieving. Key word here is the
24 "federal standard."

25 Without a uniform national objective, the
26 airlines cannot rationally develop an aircraft acquisition

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1 plan. The current situation of local noise standards
2 adversely impacts the national air transportation system,
3 and it impairs the airlines' capability to effectively
4 schedule the aircraft.

5 The proposal at hand accentuates these
6 negative factors. Because San Francisco is an end point
7 airport for both transcontinental and transoceanic
8 flights, the negative factors of restrictive late-night
9 hours and decreasing Stage 3 operations are magnified many
10 times.

11 We must continue to have the flexibility to
12 schedule aircraft into the connected complexes here, which
13 match the traveling public's needs.

14 In other words, the airlines must be able to
15 meet both the time demands and the traffic size demands of
16 the traveling public. If both of these demands cannot be
17 accomplished, then not only does the traveling public
18 suffer but ultimately those in the airport community will
19 suffer as well.

20 By having the capability to schedule
21 optimally, the airlines can maximize their revenues. And
22 these revenues flow directly through to our ability to
23 acquire new, quiet aircraft.

24 The factors such as the San Francisco proposal
25 degrade this capability and may postpone or possibly even
26 cancel some of our planned new aircraft deliveries. That

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1 of course means less Stage 3 aircraft at Delta and more
2 overall airport noise.

3 We at Delta are not unique when it comes to
4 this. Instead of noise abatement proposals which may
5 become self-defeating, a preferred alternative would be
6 for this Airport Commission to strongly support the
7 legislative package now being developed by the F.A.A., to
8 implement the initiatives in the report by the industry
9 task force on aircraft noise and airport capacity which
10 was submitted to F.A.A. administrator Mc Carter in early
11 November.

12 This report will create a rational framework
13 for the airports, the airlines, and the federal government
14 to abate airport noise. It would establish a national
15 airport noise goal at Stage 3 and provide an incentive
16 program for the airlines to comply at a date possibly as
17 early as 1999.

18 It would provide a rational airline marketing
19 environment, and it would provide additional funds to the
20 airports for noise abatement.

21 We are also concerned about the Stage 2 flight
22 exclusions in your proposed regulation. We appreciate
23 your need for granting waivers in the local rule, but
24 suggest they only be granted when the requesting carriers
25 have Stage 3 aircraft acquisition programs firmly in
26 place.

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1 In summary, we at Delta share your desire to
2 further reduce airport noise. To achieve this in the most
3 effective manner and the least time requires a national
4 air transportation system which will allow the airlines to
5 match the aircraft flights to the marketplace demand.

6 The program being developed by the F.A.A.
7 right now, which sets a Stage 3 noise goal on a national
8 level, will accomplish your local noise abatement goals.
9 A localized Stage 3 rule will not. We ask you to redirect
10 your excellent efforts towards substantive airport noise
11 abatement and support this federal noise initiative.

12 Thank you.

13 MR. BERNSTEIN: Thank you.

14 Miss Shelley Kessler of the San Mateo Labor
15 Council.

16
17 SHELLEY_KESSLER

18 MS. KESSLER: Hi, I'm Shelley Kessler, I'm
19 with the San Mateo Central Labor Council, and I'm also the
20 Coordinator of the Airport Labor Coalition which
21 represents the different workers that are out there at the
22 airport.

23 We appreciate the effort of the Commission to
24 be sensitive to the concerns of the neighbors who live in
25 that surrounding area by the airport. We also appreciate
26 the fact that our people are working out there, and we

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1 want to protect their jobs.

2 We're trying to study the position papers and
3 the regulations, to reach the best possible consensus
4 among unions that are affected there. We received the
5 information recently and have disseminated it to our
6 unions that will be affected there at the airport. So
7 what we're trying to do is reach a consensus so that we
8 can best represent their viewpoints.

9 We would appreciate the ability to testify at
10 the hearing or at the next meeting, that's going to be in
11 January, so that we can discuss more in depth the kinds of
12 concerns that people have, and to have some kind of impact
13 upon the decision that's made here.

14 You have to be aware of the fact that when we
15 have to get out this information to 78 locals and then
16 wait for their response in order to best represent them,
17 it can be an arduous task. So we appreciate the ability
18 to come back next time and make any more clear and
19 in-depth statements.

20 Thank you.

21 MR. BERNSTEIN: Thank you, Miss Kessler.

22 Next, Mr. Dick Tabery of United Airlines,
23 Vice-President of Maintenance Operations.

24
25 DICK TABERY

26 MR. TABERY: Mr. President, my name is

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1 Dick Tabery, I'm Senior Vice-President of Maintenance
2 Operations for United Airlines and as such the person
3 responsible for the San Francisco Maintenance Center, a
4 place where we employ some 9000 people at a payroll of
5 about \$365,000,000.

6 That doesn't include the 3500 or so people
7 that work at the airport such as the pilots, in-flight
8 attendants, station personnel and other. They generate
9 about another \$200,000,000.

10 We have prepared a detailed set of
11 recommendations and comments for the proposed legislation.
12 You have those, and I respectfully request that they be
13 submitted as a part of the record.

14 I won't go into the details about that, but in
15 summary, some of the statements. We would like to
16 respectfully request that this proposed regulation either
17 be withdrawn or at least be reconsidered, primarily with
18 the help and aid of some of the expertise that we think
19 the carriers such as ourselves could add, add to the data
20 collection.

21 I'd like to say, and I think that the
22 Commission is well aware, that United has been and
23 continues to be a good, corporate citizen in the noise
24 area throughout the system, throughout the country; and in
25 that regard we have made many, many concessions, such as
26 quieter aircraft and proposed new operating rules which

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1 have been adopted in many locations.

2 As we state in our formal comments, the
3 proposed regulation, particularly sections 4-B, -C, -D,
4 -F, -G and -H, we believe will cause great mischief with
5 the transport system.

6 You must consider that we are dealing with a
7 very complex, interwoven national system. San Francisco
8 is not only the maintenance nerve center for United, it is
9 the northbound hub for United's operation. We have to
10 route hundreds of airplanes in and out of San Francisco
11 for the number of operations that we have, and of course
12 for the input into the maintenance center.

13 Let me highlight just a few of our concerns.
14 First, we do not believe that the drafters of the
15 regulation properly accumulated data, analyzed the data
16 properly or sufficiently, or considered the impact of
17 their recommendations in the national air transportation
18 plan. In this respect we believe that any process looking
19 to establish this type of regulation should bring the air
20 carriers in at the lowest possible working level.

21 Second, the drafters apparently did not
22 consider that a Stage 2 - Stage 3 fleet mix does not
23 consider the actual operations or noise emission of an
24 aircraft.

25 The rules that are being applied are actually
26 certification data which is appropriate for design and

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1 operational type of engineering purposes. But it's not
2 good for local noise regulation. In short, it has nothing
3 to do with the actual noise that particular flight will
4 emit.

5 Thirdly, the proposed regulation should
6 impose, would impose, severe cost burdens on United which
7 are not warranted by what we believe would be a very, very
8 small potential gain.

9 In 1997, as an example, the Stage 2 phase-out
10 requirement alone would add about 2.4 billion dollars to
11 United's fleet and to our future expenditure plan.

12 Fourth, the proposed curfew would result in
13 significant and costly schedule adjustments and flight
14 cancellations ranging from as many as 15 daily in the
15 winter schedule to as many as 20 in the summer schedule.
16 Loss of revenues alone would range between between 2.5
17 and 5 million dollars a month depending upon the season.

18 The impact of a curfew on the commerce of the
19 Bay Area has also apparently not been considered. When a
20 curfew would be imposed, it would severely impact, of
21 course, all of the communications regarding banking,
22 postal, freight operations and some of which you've
23 already heard this morning.

24 Fifth, the proposed regulations would play
25 havoc with United's maintenance scheduling. Let me
26 emphasize here that this does get into the critical issue

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1 of safety -- "safety" being our number one priority --
2 because wherever we have to perform the maintenance, it's
3 going to have to be performed.

4 The original draft of this regulation actually
5 took no account of the need, however the second draft
6 before you has solved part of the problem; but still it
7 hasn't, for the simple reason that we would have to
8 attempt to obtain exemptions in order to operate,
9 particularly during the curfew hours.

10 We have no full-time long-range assurance that
11 such exemptions would be granted. So we may be in the
12 same position that we're seeing ourselves in with this
13 proposed regulation. Because what we would really have to
14 do here is, very likely, using today's schedules and
15 projecting it out into the '90's period, we see ourselves
16 cancelling a 727, 737 maintenance check-line -- which is
17 one aircraft per night for very heavy maintenance, and as
18 many as five daily overnight-line service maintenance
19 checks.

20 That's an integration of our current schedules
21 into what we think the curfew and nighttime noise limits
22 would involve.

23 If we did this, we would be approximately 180
24 people shorter here in San Francisco. This work would
25 have to be put elsewhere, but at great expense; because at
26 the most, we'd have to schedule inefficient flights and

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1 you'd have to vary the trips to the new locations.

2 Finally, the regulation as it was
3 mentioned earlier would result in banning of United's
4 nighttime 747 operations at San Francisco, including
5 the two new 747 400's we have just taken delivery on
6 and 15 747 400's that are on order and will be delivered
7 within the next four years.

8 So, from this brief testimony, I must conclude
9 that we do not think it is well considered or well
10 advised, and it will have a very serious effect not only
11 on air operations of United but United's maintenance
12 operation as well.

13 That's all the comments I have now.

14 MR. TURPEN: Thanks.

15 MR. BERNSTEIN: Thank you Mr. Tabery.

16 Mr. John Williams of Northwest Airlines.
17

18 JOHN E. WILLIAMS

19 MR. WILLIAMS: Good morning, my name is
20 John E. Williams, and I'm Western Regional Sales Manager
21 for Northwest Airlines here at San Francisco.

22 Northwest Airlines currently operates
23 seven 747 freighter frequencies per week into and out of
24 San Francisco International Airport. Six out of seven of
25 Northwest Airlines' 747 freighters scheduled departures
26 from San Francisco are deployed at international

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1 transportation between San Francisco and the Pacific Rim
2 countries of Japan, Hong Kong, Korea and Taiwan.

3 Northwest Airlines' current 747 freighter
4 fleet mix consists of six 747 Stage 2 aircraft and two 747
5 freighters Stage 3 aircraft. These eight 747 aircrafts
6 operate into eight major U.S. cities and U.S. Customs
7 districts, including San Francisco, and to six countries
8 in the Pacific Rim countries and the People's Republic of
9 China, crossing many time zones and the international date
10 line.

11 The shortest nonstop flying segment from
12 San Francisco with the restricted payload is 10 hours 50
13 minutes to Japan. These complex schedules crisscrossing
14 thousands of miles require that all our aircraft in this
15 fleet are interchangeable, to effectively meet the
16 transportation requirements of the cities and surrounding
17 areas involved as they participate in international trade.

18 This makes it virtually impossible to schedule
19 these aircraft departures in the proposed noise abatement
20 guidelines in San Francisco without adversely curtailing
21 services to the local economy, the country, and to
22 international trade.

23 The proposed noise abatement regulation
24 affecting Stage 2 aircraft in 1989 would limit
25 Northwest Airlines to aircraft available to operate into
26 San Francisco during the specified time frames and

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1 virtually bring to a halt our cargo operation with the
2 first implementation of this curfew.

3 Northwest Airlines' vast domestic and
4 international operations would make it impossible to
5 operate only the two Stage 3 aircraft into San Francisco
6 due to the complexity of scheduling aircraft, aircraft
7 flying hours, maintenance schedules, the time zone
8 variations in both the domestic and international
9 marketplace.

10 To gain the time advantage offered by air
11 freight for international import and export shipments, it
12 is critical to San Francisco importers and exporters to
13 operate through a window after midnight and before 7:00
14 a.m. Operating outside these hours will cause delays of
15 from 24 to 48 hours which are crucial in evaluating the
16 cost and effectiveness of air freight or the competitive
17 price on the fresh produce in international markets.

18 Basically Northwest disagrees and opposes the
19 noise abatement regulation. And if this is implemented,
20 it would affect 97 people currently employed in the air
21 freight office and 212 people on the ramp.

22 Thank you.

23 MR. BERNSTEIN: Thank you, Mr. Williams.

24 Mr. Herbert Rosenthal of Washington, D.C., who
25 is with the -- What airway is that?

26 MR. B. ROSENTHAL: D.H.L. D.H.L. Airways.

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1 MR. BERNSTEIN: D.B.I.?

2 MR. FLEISHELL: D.B.L. freight.

3
4 HERBERT ROSENTHAL

5 MR. B. ROSENTHAL: Good morning,

6 Mr. President, my name is Herbert Rosenthal. I've come
7 here from Washington, D.C. to tell you how significant
8 this noise rule would be to D.B.L. With me today are
9 Jim Orr, our general counsel, and Mike Kirby, our manager
10 of stations.

11 If this rule is implemented, D.B.L. will have
12 to leave this airport a year from now. We have no Stage 3
13 aircraft. We don't think we contribute to noise with two
14 operations a day five days a week. We take off on
15 Runway 1, and we land on Runway 28.

16 If we get thrown off the airport, no one in
17 the airport neighborhood except those who are our
18 customers or employees would know that we had to move.
19 Then why do we care so much about staying in
20 San Francisco? Why is it so important to us?

21 In the domestic air express business, we're a
22 small player, two to four percent; but with our agent
23 abroad, D.B.L. International, our major interest is in the
24 international air express service. We need to connect
25 traffic picked up in our domestic system with the outbound
26 flights going to Asia and the South Pacific there through

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1 San Francisco.

2 Thus, if I wanted to send an envelope to
3 D.B.L. in Japan, courier would pick it up Monday night at
4 my office, it would go to Cincinatti, where it would be
5 sorted, it would arrive here on our 727 freighter at 6:00
6 in the morning, and be put on a plane at about 8:00 in the
7 morning, to go to Japan and be delivered Wednesday -- it's
8 one day extra because of the time zone -- in the afternoon
9 in Tokyo.

10 If we can't make that connection, we can't
11 provide that high quality service, which is what our
12 shippers want. We also have our maintenance facility
13 here. We have a hangar here, and it's the only place in
14 our system that we do have a hangar. All of our 727's
15 rotate through San Francisco for their maintenance.

16 By using San Francisco Airport, we can make
17 pickups in downtown San Francisco as late as 6:30, getting
18 important documents into our system for delivery the next
19 morning throughout the United States.

20 If we had to go to Oakland, we'd probably have
21 to make our last pickups at 5:30. That extra hour is
22 really significant for law firms, for banks, for other
23 people who only get their materials done at the end of the
24 day.

25 Going to Oakland isn't going to help us,
26 because only 20 percent of our traffic comes from the

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1 reflect the needs of both the air cargo industry -- which
2 I don't think has presented itself as fully as it should
3 have been until now -- and also the needs of the air cargo
4 industry and the smaller users for exemptions from both
5 Stage 3 bases and nighttime curfews.

6 Thank you.

7 MR. BERNSTEIN: Thank you very much,
8 Mr. Rosenthal.

9 Next Mr. Vance Fort of the Flying Tiger line.

10
11 VANCE_FORT

12 MR. FORT: Good morning. My name is
13 Vance Fort, and I'm Vice-President International and
14 Government Affairs for the Flying Tiger line, the world's
15 largest all cargo carrier and the largest all cargo
16 freight carrier at San Francisco International Airport.

17 With me today is Bill Rose, our manager world
18 wide for flight operations.

19 Until a couple of months ago I served as
20 Deputy Assistant Secretary in the office of the Secretary
21 of United States Department of Transportation, and in that
22 position, as in this position, I dealt with on a daily
23 basis the very serious problems of noise pollution.

24 Let us state up front that we believe we are
25 as against noise pollution as is this Commission and the
26 residents of this city. Perhaps even more germane is the

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1 fact that I grew up about two blocks from here, and my
2 family still lives here. I consider San Francisco my
3 home, and always will.

4 We're very concerned about noise. As I said,
5 I think it's not -- I have no intention of understating
6 noise, to this community or to other communities, local,
7 national, and international, nor will I exaggerate the
8 adverse consequences if this proposal is permitted to go
9 into effect. It will not end air freight transportation
10 at San Francisco, it will not bankrupt my company.

11 What it will do, and on this I'm quite
12 serious, is reduce San Francisco to a second-class or
13 third-class air freight transportation gateway. Air
14 freight transportation at San Francisco, moving in both
15 interstate and foreign commerce, will be severely
16 restrained.

17 These proposed regulations dramatically
18 diminish the ability of our planes, even though most of
19 them are Stage 3, to operate during the critical nighttime
20 period for air cargo. As has been said earlier, the
21 regulation would have the ironic, indeed even perverse
22 effect of barring some of our nation's best technology
23 from nighttime operation, which has been said repeatedly
24 here, is critical for air cargo operations.

25 Flying Tigers currently employs 340 people to
26 run our operations at the San Francisco International

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1 Airport. These people, their jobs, are dependent upon our
2 ability to operate efficiently in and out of the airport.

3 Additionally, we currently pay over \$800,000
4 in rentals for the use of the airport facility. From
5 January 1 to just October of this year, Flying Tigers paid
6 over \$400,000 in landing fees.

7 Most importantly, during that same period, the
8 Flying Tiger line lifted over 87,000,000 pounds of air
9 freight, including both inbound and outbound carriers. In
10 short, we're a major player at the San Francisco Airport
11 and in the Bay Area.

12 It's impossible to forecast with any precision
13 the effect the proposed noise regulations would have on
14 our Bay Area air cargo operation. If these regulations
15 and proposed regulations are enacted, however, I'm sure
16 that the Flying Tiger line and other carriers similarly
17 situated will be forced into having to consider alternate
18 locations for their air freight operation.

19 In light of its strategic position,
20 San Francisco enjoys a gateway to international trade,
21 especially in the Pacific Rim. It seems unfortunate that
22 you are considering the promulgation of rules which would
23 hamper the City's development and future attractiveness to
24 business.

25 San Francisco now enjoys direct access to air
26 freight, to an air freight transportation system, that

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1 frankly is second to none.

2 Modern 747 aircraft fly directly from that
3 San Francisco Airport to markets in Asia and in Europe.
4 That network has played an important role in the
5 development and expansion of a number of high-tech
6 industries which are now closely identified with the
7 Bay Area.

8 These are some of our nation's most effective,
9 most successful and most competitive companies. And their
10 ability to continue to provide that competitive spur is
11 based on, is premised on, a marketing and distribution
12 strategy that requires effective air freight
13 transportation.

14 As an indication of the scope of these
15 operations, that are propelled largely by these
16 businesses, the growth of air freight over the last year
17 has been over 30 percent in terms of total U.S. exports.
18 In 1986 alone the value of those airborne U.S. exports was
19 over 63 billion dollars.

20 These industries show every sign of continued
21 growth; the only question is, where will they be located?
22 In San Francisco? Or in Phoenix? Or in Portland? Or
23 other attractive and growing communities?

24 I submit that if this proposed rule is
25 inacted, a substantial number of residents could face
26 employment dislocation, and many of San Francisco

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1 businesses would have their options severely limited to
2 the detriment of the City's economy.

3 Put bluntly, the proposed rule will force many
4 of San Francisco's current freighter services to other
5 gateways. For Bay Area shippers -- and this is
6 critical -- this will mean a more attenuated connection
7 with world markets, perhaps abated transportation times,
8 increasing transportation costs, as well as the risk of
9 damage or loss of goods in transit.

10 The long-term consequences of this kind of
11 surface deterioration would be quite pronounced on the
12 City's employment and commerce. I urge you to withdraw
13 and carefully reexamine the premise on which the proposed
14 noise abatement regulation is based.

15 The Flying Tiger line would be happy to meet
16 with you and your staff and to provide you with any
17 information that you feel helpful. In this regard, I can
18 only say that we have been involved with people such as
19 yourself considering this very important concern, noise
20 abatement, with communities -- local, state and
21 international communities world wide. We have been very
22 successful and very cooperative in these engagements.

23 We do sincerely offer ourselves to you as you
24 consider this rule in the future. With your indulgence, I
25 would like to just ask if you would give Mr. Rose just a
26 minute to provide an insight into some of the more

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1 surrounding population due to its location, yet it is
2 proposing some of the most restrictive noise regulations
3 of all international airports.

4 I suggest that there are a lot more productive
5 ways to approach noise control and noise pollution, and I
6 feel that it is about time that we get together and work
7 on this, for the benefit of the local residents, the
8 airport, and the airlines. Once again, I offer our
9 services.

10 Thank you.

11 MR. BERNSTEIN: Thank you.

12 Next, Mr. Duane Spence, of the Hillsborough
13 Homeowners' Association.

14
15 DUANE SPENCE

16 MR. SPENCE: Good morning, Mr. President,
17 Commission members. I'm Duane Spence, and this morning
18 I'm representing Citizens of the San Mateo Communities
19 that involve not only Hillsborough but San Mateo,
20 Burlingame, Milbrae, San Bruno, South San Francisco and
21 Daly City.

22 I'd like to once again express our gratitude
23 to you for your stand against the Burlington Q-707
24 operation at the airport. We feel you are 100 percent
25 correct in your stand, and we urge you to continue to ban
26 that particular operation.

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1 We wholeheartedly support your adoption of an
2 effective noise regulation at the airport. Our comments
3 have been forwarded to your staff, and we hope those
4 comments will be included in your final draft. We believe
5 the noise regulations to be beneficial to all the
6 communities without regard to the particular type of noise
7 they experience.

8 As you are well aware, there are at least
9 three types of noise that we deal with, overflight noise
10 from approaches, backblast noise from departures, and
11 overflight noise in departures.

12 This noise regulation as proposed, we feel,
13 will deal very effectively on a community wide basis with
14 all those aspects of the noise. We also urge its swift
15 implementation, from this aspect: The national fleet mix
16 of Stage 3 aircraft is something like 26 percent; the
17 fleet mix in San Francisco Airport is on the order of 42
18 percent.

19 The only way that that can be accomplished
20 is by a repositioning of the quieter aircraft to
21 San Francisco for one reason or another. The early phases
22 of your noise regulation will be accomplished by the
23 airlines repositioning more of of their quieter aircraft
24 to San Francisco.

25 If the adoption is delayed or the
26 implementation of tightening the restrictions is delayed,

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1 we feel that that repositioning might not be possible at
2 San Francisco, because other airports will have the
3 opportunity to step in with earlier regulations that could
4 disrupt the implementation here in San Francisco.

5 The timing of these phases involves both the
6 Stage 3 implementation during the critical nighttime noise
7 sensitive hours and also the fleet mix itself. The
8 aspects that we feel are being addressed are the fact that
9 the fleet mix will be demanded to be changed to a higher
10 and higher percentage of Stage 3.

11 We also endorse the adoption of a maximum
12 noise limit, because this will also preclude the fact that
13 a Stage 3 airplane might also have a very high noise level
14 and a deleterious effect on the community.

15 So far this morning we've heard quite a bit
16 about costs of doing business at San Francisco Airport.
17 As you are well aware, the costs of doing business there
18 must include fuel, landing fees, gate fees, maintenance
19 and whatever.

20 By your adoption of these regulations, we feel
21 you are showing you are well aware, also, that the cost of
22 doing business there must include the effects on the
23 community surrounding the airport. I think I'll conclude
24 my remarks there, and I can answer questions if you have
25 them.

26 MR. FLEISHELL: I have nothing.

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1 MR. BERNSTEIN: Thank you. We should have had
2 you as the lead-off batter.

3 Mr. Jerry Nelson, please. Air Transport
4 Employees Local 1781. Mr. Nelson?

5
6 JERRY NELSON

7 MR. NELSON: Good morning, President Bernstein
8 and Commissioners. My name is Jerry Nelson, and I'm the
9 President of Local 1781 of the International Association
10 of Machinists and Aerospace Workers.

11 In that local we represent over 9000 of the
12 ground service workers at the international airport. We
13 must stress that those airlines we represent are Eastern,
14 Northwest, and United Airlines primarily.

15 As a labor union, our goal is to assist in
16 creating a stable work environment for those members that
17 we represent. This proposed noise regulation that you
18 have before you today, as has been stated earlier by
19 Shelley Kessler from the San Mateo Central Labor Council,
20 is something of first impression to us. We are studying
21 it very diligently.

22 But we feel it necessary to explain today that
23 we are part of an airport community, a community that is
24 comprised both of management and of workers. We are
25 extremely concerned with the impact this regulation will
26 have on the workers we represent.

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1 You've heard figures stated here this morning
2 of 180 at United Airlines, over 300 at Northwest. This
3 concerns us. It concerns us from us from the perspective
4 that it is a regulation that has not been studied
5 sufficiently, in our opinion, it has not had as broad an
6 input from the community.

7 I stress, the community of neighbors, and that
8 community that is comprised of the airport industry,
9 living and serving at the international airport, we would
10 hope that this Commission will diligently look at this
11 regulation, and give us an opportunity to come back here
12 in January, and to present a more detailed presentation
13 reflecting the desires of those more than 9000 members
14 both working and living very close to that airport.

15 Thank you very much.

16 MR. BERNSTEIN: Thank you, Mr. Nelson.

17 MR. FLEISHELL: Thank you.

18 MR. BERNSTEIN: Mr. David Carbone, the City of
19 South San Francisco, on the noise regulation.

20
21 DAVID CARBONE

22 MR. CARBONE: Good morning, Mr. President,
23 members of the Commission. My name is David Carbone, an
24 Associate Planner of the City of South San Francisco.

25 I'd like to just echo the comments you heard a
26 few minutes ago from Mr. Spence from the Hillsborough

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1 Homeowners' Association and also the resolution of the
2 San Mateo County Board of Supervisors in supporting your
3 proposed noise regulation.

4 The City of South San Francisco is supportive
5 of the regulation as proposed. We do have a couple of
6 concerns about some of the implementation. We've passed
7 some of the written comments to Mr. Turpen in that regard.

8 A couple of key elements I'd like to mention
9 to you regarding that particular aspect of the regulation.
10 The only concerns we have is how the regulation is related
11 to the proposed "forecast of operations" as we have seen
12 in the first working paper of the Master Plan project.
13 The regulation doesn't --

14 We don't see a real connection between a
15 master plan and the regulation as currently proposed, and
16 we'd like to have a little bit more clarification on that
17 aspect of it. There are some major numbers that are
18 proposed in the Master Plan document that could have some
19 significant impacts on the noise environment around the
20 airport in the coming years.

21 Second of all, the proposed regulation doesn't
22 really state its objective, what is the regulation trying
23 to achieve, as far as an end stage or a goal, as far
24 as 100 percent Stage 3 airport, or reducing the noise
25 impacted area, et cetera. It's not clear as to what the
26 desired result is from the regulation itself.

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1 The third point we would like to make is that
2 the Airport Commission should try to ensure that the 65
3 standing C.N.E.L. Contour should stabilize and not grow
4 any larger than it currently is. Given the fact that
5 there are some large numbers forecast for future operation
6 at the airport, we're concerned that the 65 C.N.E.L.
7 Contour standards required by the State will not get any
8 larger than it already is.

9 MR. FLEISHELL: I didn't hear your last
10 comment.

11 MR. CARBONE: The 65 C.N.E.L. Contour. We're
12 concerned that based upon some of the forecast numbers in
13 the operations, as in the Master Plan program, that that
14 contour will enlarge around the airport -- rather than
15 decrease.

16 The idea here is through another regulation we
17 presume that that contour gets smaller or remains where it
18 is. We don't want to see it get any larger than it
19 currently is.

20 One other comment I'd like to make regarding
21 some of the prior speakers is that I think one or two or
22 maybe three of them mentioned that the airport has a
23 relatively small noise impact area, compared to other
24 airports around the country.

25 I'm not familiar with the particular other
26 airports, but if that is in fact the situation, I'd like

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1 to point out, though, just because it may be a smaller
2 impact area, we're not any less impacted than those other
3 communities across the country.

4 That's all I have to say. Thank you.

5 MR. TORPEN: Thank you.

6 MR. BERNSTEIN: Thank you.

7 Mr. Roger Chinn of the Round Table.
8

9 ROGER_CHINN

10 MR. CHINN: Mr. President, Members of the
11 Commission, my name is Roger Chinn, I'm Chairman of the
12 Round Table of the Airport in the communities in
13 San Mateo County. I would like to ask that the letter I
14 had written to the President dated December the 10th and
15 that the two enclosures be included in the record.

16 As I indicated on the letter of December 10th,
17 it's quite important that this new noise regulation be
18 implemented. We feel that there are many points that are
19 indicated on the new noise regulation that have been
20 worked on by not only your staff but the County, which
21 will implement a lot of the noise problems that have been
22 occurring for some sometime.

23 From my letter to the President, I would like
24 to indicate that the Round Table, which consists of nine
25 cities in San Mateo County, as well as representative from
26 your City and County, as well as the Airport, have

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1 unanimously voted to support the noise regulations. I'd
2 like to read from my letter briefly some of the points
3 that should be indicated at this time.

4 If this new noise regulation is adopted and in
5 force, it will go a long way towards reducing the noise
6 impact on not only the people in the San Mateo County but
7 on the City and County of San Francisco.

8 The regulation is consistent with the goals of
9 the Round Table, its number of jurisdictions, and many
10 neighboring residents who have sought relief from the
11 airport related noise over the years. I'd like to
12 indicate at this time, we've been working with your staff
13 for eight years on a number of issues, and I think this
14 new noise regulation is certainly a very moderate position
15 to be in, to inact.

16 Enclosed with my letter of December 10th are
17 two enclosures, and those two enclosures were developed by
18 our consultant to the Round Table, as well as by the
19 residents of San Mateo County. We ask that you consider
20 the points that were made in those two enclosures,
21 specifically the time table for implementation.

22 We feel that the time tables are reasonable
23 and important to making sure that we do implement these
24 new noise regulation.

25 I'd like to conclude this by saying that we
26 would commend and thank the Commission and the staff for

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1 initiating and supporting these measures which address the
2 persistent, increasing problems of noise impacted on the
3 airport's neighbors.

4 Again I would like to indicate that the
5 neighbors include not only the people in San Mateo County
6 but the people that reside in the City and County of
7 San Francisco. To that point I would add that I, as the
8 Chairman of the Round Table, will be inviting your new
9 Noise Abatement Committee of San Francisco to our
10 meetings, and hopefully we can incorporate their thinking
11 into ours in the future.

12 Thank you.

13 MR. TURPEN: Thank you.

14 MR. BERNSTEIN: Thank you, Mr. Chinn.

15 MR. TURPEN: Prior to your concluding the
16 public hearing, Mr. President, I'd like the public record
17 to indicate that the Federal Aviation Administration did
18 not submit comments on the Commission's November 6th, 1987
19 proposed noise regulation. As well, the F.A.A. did not
20 participate at this public hearing.

21 The Commission should also be aware that:
22 The proposed regulation and the supporting statement were
23 hand-served on the F.A.A.'s legal counsel on November 6th,
24 1987; the F.A.A. was also provided at their request
25 documents contained in the administrative record;
26 additionally, counsel to the Commission on three separate

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occasions notified the F.A.A.'s chief counsel's office on the extended December 11th deadline for written comments and of this public hearing.

DR. GOOSBY: I just had a question in regard to that.

Essentially are you saying, Lou, that most of the airlines and the labor council for the San Mateo Airport Workers council, everybody received that about the 6th of November? This final draft of the regulation?

How long --

MR. TURPEN: Possibly with one exception yes, sir, everyone did.

DR. GOOSBY: But they were generally available sometime then around the 10th, say, of November? From the 10th of November on?

MR. TURPEN: Yes.

DR. GOOSBY: All right.

MR. TURPEN: I would suggest, Mr. President, that we declare the public hearing closed and --

MR. FLEISHELL: The members of the Commission may have some comments.

RALPH DILL

MR. DILL: Before you do, my name is Ralph Dill. I represent the Air Transport Association. I find Mr. Turpen's comments about the F.A.A. confusing,

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1 because I've been provided with a copy of the F.A.A.'s
2 comments to this Commission dated December 11, 1987. The
3 letter went to Mr. Turpen. Perhaps he hasn't received it
4 yet.

5 I have some extra copies, and I'd like to hand
6 them to the Clerk at this time.

7 MR. S. ROSENTHAL: Well, wait a second.

8 MR. TURPEN: Just a moment, please.

9 MR. DILL: These were made publicly available
10 to me on December 11th.

11 MR. TURPEN: I think that in this case, if in
12 fact that information was sent to me, then I will receive
13 it in due course. I think to receive it from a third
14 party at this point would not be appropriate.

15 DR. GOOSBY: Well, if he wants to pass it
16 out --

17 MR. FLEISHELL: Why not?

18 DR. GOOSBY: -- we can look at it. Officially
19 you haven't received it; but anytime anybody wants to
20 offer me, as a citizen, a document --

21 MR. TURPEN: Well, I think at this point it
22 would probably be better for me to transmit to the
23 Airports Commission those official comments received from
24 the F.A.A.

25 I'm sure these are probably the same comments,
26 but I think our advice is that communications to the

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1 Commission should come from my office. Or from the
2 F.A.A., through my office.

3 If you'd like to address counsel on it --

4 MR. FLEISHELL: Well, I speak for myself.

5 MR. BERNSTEIN: Sure.

6 MR. FLEISHELL: I have no quarrel about
7 whether it's sent to me from you or anyone else. I don't
8 understand why you had to make this statement that the
9 F.A.A. has not responded.

10 So, if there is some careful legal maneuvering
11 planned that I'm not aware of, I must say that I think in
12 fairness, if the F.A.A. has sent out this, the record
13 should include those labor documents, if these arrive.

14 MR. TURPEN: I have no problem with that.

15 MR. FLEISHELL: We're not playing games, just
16 trying to do the best job we know how.

17 MR. TURPEN: If in fact those comments were
18 received, we will.

19 DR. GOOSBY: Is there some legal reason why he
20 doesn't want us to get the document as hand-delivered? I
21 don't like the tone of refusing to accept any document
22 from a citizen --

23 MR. BERNSTEIN: Would this jeopardize our
24 position or their position?

25 MR. S. ROSENTHAL: Well, let me just say that
26 my only concern is that of natural reluctance. I'm sure

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1 these are the right comments, but I think we're going to
2 have to independently confirm that from the F.A.A., and
3 get the comments from the F.A.A.

4 DR. GOOSBY: Well, we can read that --

5 MR. BERNSTEIN: I would think at our age and
6 experience we ought to know whether we accept service or
7 not.

8 Would you pass them on, please.

9 DR. GOOSBY: The other thing, you had some
10 questions?

11 MR. FLEISHELL: Well, you had some.

12 DR. GOOSBY: I'll wait for yours.

13 MR. FLEISHELL: Thank you.

14 MR. BERNSTEIN: Thank you.

15 MR. FLEISHELL: I had the pleasure to serve on
16 the Joint Powers Authority in 1979 which created the
17 Round Table. We contributed over \$500,000 I think for a
18 three-year study to try to get some help on how we should
19 proceed.

20 At that time a report was prepared -- and I
21 think someone referred to it. I spent Sunday and
22 yesterday from 7:00 o'clock until exactly 2:30 reading
23 again every piece of material submitted, so I was pleased
24 there were several great presentations. I must say, some
25 copied presentations of other people -- and they really
26 shouldn't do that, because we read what you submit to us.

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1 One of the concerns I had when we originally
2 put it out in the report -- eight years ago I guess it is
3 now, 1981 -- we took certain steps, and we were going to
4 take certain steps in the future. This is a part of that
5 future. And I've been sitting here waiting to hear the
6 other side of the coin.

7 In other words, the report says we will take
8 steps and always balance the economic hardships against
9 the gains that would be derived from taking whatever
10 action we take. I've been waiting to hear that.

11 I'd direct my comments to everyone in the
12 audience and also to the staff, because if we're going to
13 do something this drastic, we at least ought to know what
14 the results are. This is not just my view, it's the view
15 of several City Attorneys down the Peninsula who certainly
16 are in favor of these regulations.

17 They want to know what is our goal. Is our
18 goal to reduce noise? Is it to bar specific types of
19 aircraft from the airport? In that connection, as I've
20 listened and tried to recall, I have some questions that I
21 was kind of looking for answers to, and I haven't gotten
22 them yet.

23 These processes roll along, and pretty soon
24 you find yourself voting when you don't have adequate
25 information.

26 These are the things I wish some of you would

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1 address. This cost benefit. I remember --

2 And bear in mind we took the first steps to
3 reduce noise at that airport. I spent a lot of nights at
4 a lot of meetings down there, as did staff and the former
5 Director also. We met with every citizen, we hired
6 consultants, we did everything possible to get the best
7 informational base that we could get.

8 But one thing impressed me at the time, we
9 heard great outcries from Silicon Valley; companies that
10 were going to have to move out of the state, as a matter
11 of fact, if we impose this curfew.

12 I haven't heard from those people. The
13 lettuce growers from Salinas came. Now, they have a
14 one-day product that has to get to the market in the
15 Orient.

16 And we've heard all about our trade balance
17 and how we're trying to do things and convince the
18 Japanese to buy our produce.

19 I think that aspect has to be looked at. I
20 think the flower industry -- which is another industry
21 that has to meet the market in the East Coast as well as
22 ship flowers back there -- I'd like to hear about that.

23 That ties in with the whole concept of: What
24 jobs are we going to jeopardize? If somebody's going to
25 lose their job, sometimes that's necessary to give a
26 greater benefit to a greater group.

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1 I think we've got to know: What are the plus
2 sides of this? What are the down sides? The small jet
3 airplane.

4 We have copied essentially the language in our
5 earlier noise regulation of the F.A.A., if they exempt
6 anything under a thousand pounds.

7 Well, we found with the back one eleven we
8 were suddenly in a Mickey Mouse trap. They hired a former
9 F.A.A. administrator, who came out and pointed out if
10 we cut the fuel down and take six seats out, it's
11 under 74,000 and therefore it gets to fly in.

12 I think if I lived down there, and I do live
13 here, a small jet taking off over my house makes as much
14 noise as a big jet. And I don't know why, if we're
15 talking about reducing noise, they are not involved in
16 this regulation.

17 The only argument I've ever heard in the nine
18 years I've been here is that, well, they're such a small
19 problem. Well, the one freight carrier, D.B.L., is a
20 small problem. There are several small problems. When
21 you add the small problems together, that's what causes
22 the session we're having here.

23 I'm concerned also that the regulations as
24 presently drafted would bar the latest technology
25 presently available to the airlines. That's kind of wild.
26 I'd like some more information on that.

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1 We have a requirement down the line that we
2 end up, in I think it's 99 decibels. I'd like to know if
3 there's any aircraft manufactured today that today
4 complied with that. I'm kind of curious.

5 If in fact, as some of you folks have told the
6 Commission, that there are many Stage 2 aircraft that are
7 less noisy than Stage 3, I again come back to the
8 question: Are we trying to bar classes or types of
9 aircraft? Or are we trying to deal with noise?

10 And if we're dealing with noise, I'd like a
11 logical and maybe a legal justification for barring the
12 Stage 2 aircraft that is less noisy than a Stage 3. There
13 may be good reasons. I won't say I'm technically
14 competent. I'd like somebody who is competent to tell me
15 that.

16 Another reason is I want to adopt a regulation
17 that will pass the judicial test of reasonableness and not
18 be an interference with interstate commerce. I think
19 these are some of the concerns.

20 One other concern I have is the language of
21 the agreement. I appreciate airlines writing and trade
22 associations writing. But the thing that really got to me
23 was a letter that said we were in heavy trouble because
24 they couldn't ship any mail in and out of here. That
25 letter bothered me.

26 I'd like to know if the federal exemption in

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1 the statute would apply to subcontractors of federal and
2 state agencies, because they do subcontract all their work
3 out.

4 Also the one gentleman was talking about noise
5 contour. It would be kind of interesting to see --
6 everyone makes all these estimates, all our consultants on
7 top of consultants -- it would be interesting to see what
8 the result of the noise contour would be if we did all
9 these things, and what it would be if we didn't, with the
10 normal transition of Stage 2 and 3 and the intended growth
11 of the airline industry.

12 Other than that....

13 (Audience laughs.)

14 MS. TSOUGARAKIS: You missed one. I've got
15 one you missed.

16 MR. FLEISHELL: But as I say, I read it all.
17 There were several very well-done presentations. I won't
18 embarrass the others by naming them, but I was impressed
19 by several of the presentations.

20 Thank you, Mr. Chairman, for your time.

21 DR. GOOSBY: I just had a review of several of
22 the comments that Mr. Fleishell made, and I'd also like to
23 express that it's unfortunate that this aegis has to be
24 considered under the onus of a suit being filed against us
25 by Burlington.

26 I think it's important enough for the future

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1 of the Bay Area, and from the sound of the industry
2 representatives, in the industry, and from the sound of
3 the workers working in the industry, it's important that
4 it should be considered -- as impartially and objectively
5 as we can -- to try to do the right thing to represent, as
6 a Commission, both points of view, in an even balance and
7 an even-handed result, if that's possible.

8 But if not, at least be prepared on the basis
9 or looking into many of the points raised by staff in
10 proposing the regulation, the industry, and concerns of
11 the Commission. At least trying to take the heat for
12 making a decision based upon the greater good for the
13 greater number, and so forth and so on.

14 So it's not an easy task that we have. I want
15 to thank the industry for showing up, in the numbers that
16 they have, and taking the serious position that they've
17 taken on this. Its always helpful for any Board or
18 Commission to have input from both sides, so that they can
19 try to weigh what they're given by the staff. This is
20 true of any governmental agency.

21 I have some concerns that Mr. Fleishell
22 mentioned. I just wanted, other than, to ask if the
23 interspace airport association has ever presented -- as I
24 take it they represent a large number of carriers -- if
25 they've ever attempted to present their points to the
26 Round Table in San Mateo County, or perhaps to a

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1 representative group representing the Boards of
2 Supervisors of the various cities of the Peninsula, the
3 point of view of the airline; so that you give them some
4 of the flavor of what you've given us today, so that
5 they're not operating in a vacuum. You'll make their
6 decision a little more difficult too.

7 Also, if our Board of Supervisors has been
8 given any statement that they made a representative, I
9 don't think you should send them this stack of stuff we
10 got. Because they're not going to read it.

11 But the representative of the industry and our
12 Board of Supervisors, and I assume the Airport's Transport
13 Association might be such a vehicle. Or you may have a
14 couple of them. To let them also know of the difficulty
15 and the various facets and factors involved in this
16 decision.

17 Then finally, just to address the -- I was
18 very concerned when I heard from United Airlines. I
19 thought we had built into the regulation the maintenance
20 exemptions. I think that's critical and crucial, that
21 they are there for whatever airline does their maintenance
22 here, who may not be approved for flying into
23 San Francisco but they're going to have to come in here to
24 get their planes maintained properly.

25 I think the point was made about the
26 exemptions; will they be granted? That you can apply for

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1 an exemption.

2 But when you're dealing with that kind of
3 money, are you going to put out that kind of money for
4 those aircraft, if you're not sure you're going to get the
5 exemption? Even though you don't come in here on a
6 regular basis?

7 I thought it was spelled out in there quite
8 well, as I read the regulation. I think that language
9 needs to be cleaned up or corrected or whatever so that
10 that fear is allayed.

11 But those are the concerns we have. I think
12 you can see that there will be considerable thought and
13 discussion by this commission on this whole thing before
14 it's passed.

15 MR. FLEISHELL: I have one further.

16 Go ahead, Athena.

17 MS. TSOUGARAKIS: Go ahead.

18 MR. FLEISHELL: I just had one further thought
19 that was raised by one of the airlines and I believe by
20 the airline association, this 3000 mile limitation on the
21 exemption. I just wonder why it's 3000 miles.

22 Because first of all if we're talking about
23 noise, it would be better to have it a thousand miles,
24 because you carry less fuel and therefore less thrust,
25 therefore less noise.

26 We want to make sure that we don't arbitrarily

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1 pick a number that, as one writer suggested, could tailor
2 in one particular airline. We're not writing regulations
3 for any particular airline.

4 We want to make certain that we do not, by
5 choosing a number like that, knock out I think it was
6 Northwestern that lands at Anchorage which is not 3000
7 miles away. So I'd like that reviewed as well, if I
8 could.

9 That concludes my comment.

10 MS. TSOUGARAKIS: I had just a couple of
11 things. What I don't know is, is there an effort going on
12 at the National Air Transportation, some resolution to the
13 National Air Transportation system? I would kind of like
14 to know what the effort is underway for that. And does
15 that include their taking on the lawsuits on the basis of
16 the noise problems?

17 I would like to see the union comments
18 included. Also I'm interested in a tie to the
19 Master Plan, you know, as we get the implication to the
20 Master Plan, and perhaps a little bit more on the basis of
21 the exemptions.

22
23 **SHELLEY_KESSLER**

24 MS. KESSLER: Based on those comments, I'd
25 like to ask for some information. I know know that to
26 expedite this process you asked for comments to be in by a

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1 certain date. But as I expressed earlier, it's difficult
2 to bring in all the comments of these different people.
3 It's the largest employer. There's 30,000 people out
4 there. And we represent a good portion of them.

5 Would the Commissioner be willing to accept
6 comments after today's date, from the unions and the
7 working people that are involved in this?

8 DR. GOOSBY: Oh, yes. Yes.

9 MR. BERNSTEIN: Yes.

10 MR. FLEISHELL: Absolutely, yes.

11 MS. KESSLER: Thank you.

12
13 MONTE LAZARUS

14 MR. LAZARUS: Mr. President, I'm
15 Monte Lazarus from United Airlines. In response to the
16 question about what's happening at the national level, I
17 am a member of the task force which has been appointed by
18 the F.A.A. Its a task force consisting of airport
19 operators, two trade associations and air carriers.

20 We have been working with the help of the
21 F.A.A. on developing a national plan for the phase-out of
22 the so-called Stage 2 aircraft and moving as rapidly as we
23 can to involve Stage 3. The program is moving ahead, it
24 involves many pieces. It's very complex.

25 I'm leaving here tomorrow to go back to what
26 we hope is a final meeting in Washington on Thursday, and

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1 sometime right after the beginning of the year we hope
2 that we will be able to present final plans to the
3 carriers and to all the airport operators through the
4 A.O.C.I. and then to the Administrator of the F.A.A. Be
5 has already seen our first cut at this.

6 So we are moving as rapidly as we can, and we
7 hope to have our work completed this Thursday; if not,
8 shortly after that.

9 MS. TSOUGARAKIS: Well, when do you plan to
10 publish something? What's your --

11 THE WITNESS: We plan to publish early next
12 year, if we can get our group in consensus this Thursday.

13 MR. BERNSTEIN: Thank you.

14 I think we ought to call the public hearing
15 closed until we have the next public hearing on additional
16 items. Otherwise we'll be here all day on the same
17 subject.

18 MR. TURPEN: Thank you.

19 MR. BERNSTEIN: I have some things, but I
20 think in view of the legal implications and all the other
21 little delightful items that went into this, I've got to
22 keep quiet until such time as I know more about the
23 subject and I've come to some definite conclusion.

24 So the public meeting is closed.

25 MR. FLEISHELL: We adjourn it.

26 MR. TURPEN: Ladies and gentlemen, the

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1 Airports Commission will be going into a closed session to
2 discuss matters with legal counsel.

3 I thank you for your attendance and your
4 comments. Would you please excuse yourselves so that the
5 Commission can go into closed session. Thank you.

6 (Proceedings concluded at 10:40 a.m.)
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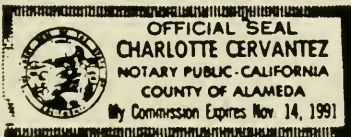
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1 STATE OF CALIFORNIA)
2) ss.
3 COUNTY OF ALAMEDA)
4
5

6 I, the undersigned, a Notary Public of the
7 State of California, hereby certify that the foregoing
8 Public Bearing was taken at the time and place therein
9 stated; that the proceedings of said Public Bearing were
10 reported by me, a Certified Shorthand Reporter and
11 disinterested person, and were thereafter transcribed
12 under my direction into typewriting; that the foregoing is
13 a full, complete and true record of said Public Bearing.
14

15 I further certify that I am not of counsel or
16 attorney for either or any of the parties to the foregoing
17 Public Bearing, nor am I in any way interested in the
18 outcome of the cause named in said caption.
19

20 IN WITNESS WHEREOF, I have hereunto set my
21 hand and affixed my seal this 22nd day of December 1987.
22



Charlotte Cervantez

CHARLOTTE CERVANTEZ, CSR #4486
Notary Public, State of California

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